

Jet-Lagged? Shine a Bright Light Behind a Knee

Signal Mysteriously Resets Body Clocks Up to 3 Hours

By Sandra Blakeslee
New York Times Service

NEW YORK — In an experiment described as flabbergasting, scientists shined a bright light on the backs of human knees and, in some mysterious way, reset the master biological clock in the human brain. Those treated with the light had their body clocks advanced or delayed by up to three hours, enough to overcome the fatigue associated with familiar forms of jet lag or insomnia.

summer said that it had been carefully done. "We were all flabbergasted," said Dr. Michael Menaker, a biologist at the University of Virginia in Charlottesville. "For three days we tried to find flaws in the experiment and we couldn't."

But When on the Plane, Don't Count on First Aid

By Susan Okie
Washington Post Service

WASHINGTON — "Is there a doctor on board?" John Knight, a surgeon from Shreveport, Louisiana, was on the first leg of a vacation with his family when the plane's intercom delivered that terse question. Thus began the worst medical experience of his life.

See KNEES, Page 10

See DOCTOR, Page 4

Yeltsin's Absence From Moscow Creates a Vacuum

Political Leadership Is Paralyzed As President Stays in Countryside

By David Hoffman
Washington Post Service

MOSCOW — A month ago, before he fell ill, President Boris Yeltsin was on the verge of delivering a televised message to his government. The Kremlin promised Mr. Yeltsin would hold his ministers and bureaucrats to account for their failures at the start of his second term.

NEWS ANALYSIS

went on vacation at a forested resort near Valdai, in Russia's northwest. This week he was seen, for the first time in two weeks, in brief snippets of Kremlin-provided videotape, bundled in a heavy coat, riding a snowmobile, strolling with one of his favored young reformers, First Deputy Prime Minister Boris Nemtsov, and greeting his grandson, Gleb.

The pause in Mr. Yeltsin's official activity once again has raised the question of his desire and ability to carry forward the aggressive reform agenda he undertook last spring. Slowly, implementation of that agenda has ground to a halt, and the next cycle in Mr. Yeltsin's long career of peaks and valleys is shrouded in uncertainty, according to many analysts here.

Mr. Yeltsin's press secretary, Sergei Yastrzhemsky, said the president was "full of energy" and planned to return to work next week. The Kremlin has announced that he will visit Italy and the Vatican in February.

But Mr. Yeltsin's latest absence has demonstrated anew how his presence is central to Russia's rocky, incomplete transition to democracy and free markets. When he is active, Mr. Yeltsin dominates the political scene, with broad executive and legislative powers under the 1993 constitution. But when Mr. Yeltsin is absent, as he has been since Dec. 10, Russia's political and economic leadership falls into paralysis and drift. These cycles of vigorous action and languor have alternated throughout Mr. Yeltsin's presidency.

"Yeltsin made at least one thing a monument to himself," said Lilia Shevtsova, senior associate at the Carnegie Endowment for World Peace in Moscow. "He made a system that cannot function in a civilized way without him. He liquidated every possibility of a challenge to himself. He eliminated any strong government rivals. He dictates the rules. He is the law."

Mr. Yeltsin's power often has been tempered by his

See YELTSIN, Page 10

A Rare European Look at Algeria's Horror



Britain's envoy to Algeria, Francis Gordon, visiting Sidi Hamed on Thursday, where at least 100 people were killed last weekend. Algiers agreed Thursday to receive an EU mission. Page 2.

Heading Off a Social Explosion

World Bank Acts Quietly to Help Those Hardest Hit in Asia

By Alan Friedman
International Herald Tribune

While top officials from the Clinton administration and the International Monetary Fund jet around Asian capitals trying to contain the region's financial crisis, the World Bank is quietly launching a series of initiatives aimed at preventing a social explosion they fear might be spawned by the turmoil.

The World Bank has already dispatched dozens of its staff and outside consultants to Indonesia and Thailand and is planning to allocate a total of about \$800 million of new loans this year aimed at ensuring there is a social safety net for the poor and unemployed who stand to lose most as a result of the crisis, according to executives of the bank.

In Washington, an aide to James Wolfensohn, the World Bank president, said that Mr. Wolfensohn would travel to Indonesia at the end of this month as part of a tour of East Asia aimed at assessing the need for more aid on the social front as well as bolstering

support for economic reforms. Millions of Indonesians are expected to lose their jobs in the months ahead as the economy continues to slow and the reforms announced Thursday by President Suharto cut back on businesses linked to an entrenched system of cronyism.

"The risk," said Javad Shirazi, a World Bank regional manager for East Asia, "is that this crisis could prove prolonged and deep, and if that is the case the poor are going to be hurt very seriously." The aim of World Bank programs in Thailand and Indonesia, Mr. Shirazi and other officials said, is to provide a social cushion by working with governments to make sure that the austerity programs do not deprive the lower rungs of society of essential welfare, health care and education. In South Korea, the World Bank's team is working on labor market reforms, and on ways to protect the unemployed in a country that lacks unemployment insurance.

See BANK, Page 15

Suharto Agrees To End Monopolies

IMF Deal Would Dismantle Cartels of Family and Friends

By Seth Mydans
New York Times Service

JAKARTA — Indonesia stepped into a new and risky chapter in its history Thursday when President Suharto announced wide-ranging economic reforms that, if carried out, would overturn the country's entrenched ways of doing business.

Capitulating to international pressure, Mr. Suharto signed a remarkably specific agreement with the International Monetary Fund that requires him to dismantle the monopolies, the family-owned businesses and his iron control of the economy that have marked his 32 years of rule.

It was his second agreement with the IMF in four months — the last of which he nearly abrogated completely — and some analysts were cautious in their optimism. The Jakarta stock exchange slumped 4.1 percent, and the rupiah dropped 14 percent against the dollar.

"It's quite impressive," said Donald Emmerson, a professor of political science at the University of Wisconsin-Madison who is considered an expert on Indonesia. "One has to be encouraged but still skeptical about follow-through. The question is, show me the money."

Many Indonesians were stunned to hear that the program explicitly targets Mr. Suharto's powerful inner circle.

If the reforms are put into effect, his youngest son, Hutomo Mandala Putra, would lose his monopoly on the production of cigarettes — a key ingredient in the sweet cigarettes that are popular here — and would no longer receive tax breaks and special concessions for a faltering national car program.

Mr. Suharto's close friends would lose lucrative cartels on plywood, paper and cement distribution as well as government support for an expensive and economically questionable aircraft-building enterprise.

Before its drop Thursday, the Jakarta market had risen 15 percent this week in anticipation of the reform package.

[Sara Zervos, an analyst at BZW in London, told Reuters that "the initial market fall has to be understood in the context of the exaggerated market expectations before the package and the relentless local demand for dollars to repay outstanding dollar debts."

"If the measures we've seen today are implemented promptly," she added, "then this is very good news for the economy over the medium term."

It was not until his country reached ground zero that Mr. Suharto acted. Despite a promise of \$40 billion in aid from the IMF last October, the crisis has grown in recent weeks. The rupiah has plummeted, investors have fled, citizens have begun to panic, and calls for Mr. Suharto's removal have increased.

"I feel relief," Mr. Suharto, 76, said in a rare press conference at his house. "But also I am aware that there are great challenges ahead that need to be faced."

The challenges confront virtually all Indonesians, from the workers who will lose their jobs, to the corporate giants who will lose their monopolies, to the president himself, who has staked his future on an economic revival.

See JAKARTA, Page 4



President Suharto signing a new accord with the IMF on Thursday.

Asia's Problems Give the Dollar New Status as World Currency

By Steven Pearlstein
Washington Post Service

WASHINGTON — The Almighty Dollar is back.

With Asian financial markets in turmoil, Europe in an economic funk and the price of just about everything falling around the world, it seems everyone wants to have and hold dollars.

In recent weeks, there have been reports of Russian housewives stuffing greenbacks into glass jars and secretaries in Singapore switching their savings accounts into dollars at local branches of Citicorp and American Express.

Big financial players have also jumped into the act. Treasurers of giant corporations are scrambling to convert overseas profits back into dollars before they erode further in value, and central bankers in Argentina, Belgium, Canada, Australia and even Switzerland have been selling off gold reserves in favor of dollars and U.S. Treasury bonds.

This demand for greenbacks has driven up the value of the dollar against most other currencies. In the past six months, the dollar has risen 4 percent against the Deutsche mark, 15 percent against the Japanese yen, 70 percent against the Thai baht, 90 percent against the Korean won and 195 percent against the Indonesian rupiah.

To a large degree, the dollar's ascent reflects flight from the economic problems in Asia to the relative safety offered by the U.S. economy and its financial markets. Were it not for the stabilizing influence provided by the dollar, economists say the damage from the crisis could have been even greater.

But economists also stress that the dollar's resurgence reflects a longer-term restoration of confidence in the performance of the U.S. economy and the soundness of its economic policies. "The dollar is the comeback kid," said Robert Litan, director of economic studies at the Brookings Institution in Washington. "The 1970s and 1980s were marked by a long-term erosion in the dollar driven by our ever-widening trade deficit and the relatively poor performance of our economy compared to the rest of the world. Now we are the world's growth leader and one of the most attractive places to invest. And in the midst of financial turmoil, we are an island of stability."

William Poole, an economist at Brown University, added, "If this Asian crisis had occurred in the 1970s or '80s, the world would have sent its money to Germany and Switzerland."

The last time there was a global financial crisis — during the worldwide stock-market collapse of October 1987 — it was a much different scenario. U.S. policymakers at the time indicated they

See DOLLAR, Page 15

German Spymaster Pays Price for Loyalty

Markus Wolf Is Put in Jail for Refusing to Identify a Cold War Agent

By Alan Cowell
New York Times Service

BONN — Finally, they ran him to the ground.

More than eight years after the collapse of the Berlin Wall and after two failed judicial attempts to put him behind bars, a court in Frankfurt jailed Markus Wolf, East Germany's former spymaster, on Thursday for refusing to identify an agent he ran in a Cold War that is over.

Once known to Western spies as the "man without a face" because of his elusiveness, the 74-year-old Mr. Wolf had long resisted what he termed a witch-hunt by the Cold War's West German victors to punish him for outwitting them for so long. In contrast to the twilight, Le Carre-esque world of double agents and deception he once

inhabited, he maintained that he would never betray those who spied for him.

Even when, according to his memoirs published last year, he was offered a new identity, a "seven-figure sum" and a home in California by the United States Central Intelligence Agency in 1990, he refused to unmask the myriad agents he sent to burrow into the former West Germany and the NATO alliance.

On Thursday, loyalty exacted its price. Appearing as a witness in the espionage trial of a former West German legislator, Mr. Wolf refused to give the name of an agent he mentioned in his memoirs under the code name "Julius" — beyond saying that "Julius" was not the former legislator on trial, Gerhard Flammig.

"I refuse to testify," he said, and was sent to a prison near Darmstadt. He was jailed under what German law calls "Beugehaft," which translates as "co-

ercive detention," and permits the incarceration of recalcitrant witnesses for up to six months. Judicial officials said the length of his prison term would depend upon his readiness to testify.

Mr. Wolf told the court that the defendant, Mr. Flammig — who denies having spied for East Germany — had been an unwitting bit player in the Cold War, conducting authorized political discussions in the former East Germany without even knowing he was talking to intelligence personnel, including Mr. Wolf himself.

But, Mr. Wolf said, Mr. Flammig had not been one of the estimated 4,000 spies and informants the spymaster for East Germany is thought to have controlled. The most fabled of those was Gunter Guillaume, who infiltrated Chancellor

See SPY, Page 10



Markus Wolf, whose jailing Thursday capped decades of drama, specialized during the Cold War in infiltrating West Germany.

AGENDA

'Right Stuff' Hero Heading Back to Space

WASHINGTON (AP) — NASA has decided to let Senator John Glenn return to space on a shuttle flight, two officials familiar with the decision said Thursday.

The National Aeronautics and Space Administration scheduled a news conference for Friday that the 76-year-old astronaut turned senator was due to at-

tend. Mr. Glenn refused to comment on the matter, saying only, "I look forward to discussing this in the future."

Mr. Glenn, an Ohio Democrat, was the first American to orbit the Earth. He has offered himself as an in-flight subject for tests that might improve earth-bound research on the human aging process.

PAGE TWO California's Battle Over San Simeon

Books Page 9

Crossword Page 3.

Sports Pages 6-7.

The Intermarket Pages 5, 7.

The IHT on-line: www.ih.com

The Joy of Eating

With an article on the delights of eating in Singapore, the IHT's restaurant critic, Patricia Wells, begins a series of reports on Asia. Coming articles will take her to Shanghai, Hong Kong, Bangkok and Chiang Mai. In Leisure, Page 8.

| The Dollar | | | |
|-----------------|-----------------|----------------|--|
| New York | Thursday 4 P.M. | previous close | |
| DM | 1.8315 | 1.8225 | |
| Pound | 1.6305 | 1.6295 | |
| Yen | 129.87 | 130.985 | |
| FF | 6.135 | 6.1025 | |
| The Dow | | | |
| Thursday close | previous close | | |
| -92.92 | 7681.77 | 7784.68 | |
| S&P 500 | | | |
| Thursday 4 P.M. | previous close | | |
| -7.2 | 950.74 | 957.94 | |

| Newsstand Prices | |
|------------------|---------------------------|
| Andorra | 10.00 FF Lebanon |
| Armenia | 12.50 FF Morocco |
| Cameroon | 1.600 CFA Qatar |
| Egypt | 5.50 FF Reunion |
| France | 10.00 FF Saudi Arabia |
| Gabon | 1.100 CFA Senegal |
| Italy | 2.800 Lire Spain |
| Ivory Coast | 1.250 CFA Tunisia |
| Jordan | 1.250 JD U.A.E. |
| Kuwait | 700 Fils U.S. Mil. (Eur.) |



In Xanadu, Hearst Corp. Decrees a Resort

Revamped EU Mission Is Approved by Algeria

Iran Wants U.S. to RSVP

Hisham Mubarak, Egyptian Rights Advocate, Dies

WEATHER

Europe

| | Today | | Tomorrow | |
|--------------------------------|-------|-------|----------|-------|
| | High | Low | High | Low |
| Algeria | 77/63 | 67/57 | 77/63 | 67/57 |
| Austria | 74/44 | 38/17 | 74/44 | 38/17 |
| Azerbaijan | 74/44 | 38/17 | 74/44 | 38/17 |
| Bahamas | 94/43 | 74/44 | 94/43 | 74/44 |
| Bahrain | 94/43 | 74/44 | 94/43 | 74/44 |
| Bangladesh | 94/43 | 74/44 | 94/43 | 74/44 |
| Barbados | 94/43 | 74/44 | 94/43 | 74/44 |
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| Dominican Republic | 94/43 | 74/44 | 94/43 | 74/44 |
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| St. Vincent and the Grenadines | 94/43 | 74/44 | 94/43 | 74/44 |
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| Tunisia | 94/43 | 74/44 | 94/43 | 74/44 |
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| United Kingdom | 94/43 | 74/44 | 94/43 | 74/44 |
| United States | 94/43 | 74/44 | 94/43 | 74/44 |
| Uruguay | 94/43 | 74/44 | 94/43 | 74/44 |
| Uzbekistan | 94/43 | 74/44 | 94/43 | 74/44 |
| Venezuela | 94/43 | 74/44 | 94/43 | 74/44 |
| Vietnam | 94/43 | 74/44 | 94/43 | 74/44 |
| Yemen | 94/43 | 74/44 | 94/43 | 74/44 |
| Zambia | 94/43 | 74/44 | 94/43 | 74/44 |
| Zimbabwe | 94/43 | 74/44 | 94/43 | 74/44 |

Forecast for Saturday through Monday, as provided by AccuWeather.

☀ Unusually Dry
☁ Unusually Mild
☔ Heavy Rain
❄ Heavy Snow

North America

Heavy snow and rain will once again create delays across northern New England and eastern Canada this weekend. The widespread heavy rain and high winds will be likely across the Pacific Northwest and western Canada. Flight delays are expected for Vancouver, Seattle and Portland this weekend.

Europe

High winds and rainfall will continue to affect the British Isles and western Europe this weekend. The widespread heavy rain and high winds will be likely in Paris, Dublin and London. More heavy rain and gusty winds will be likely in the eastern Mediterranean. Flight delays are anticipated at Athens and Istanbul.

Asia

War weather will be found across north-central Asia, but should only cause minor delays. High winds, rain and snow will create minor travel problems for flights in and out of Seoul and Tokyo Saturday and Sunday and Monday should return to normal. Long haul flights will be rainy with minor travel delays.

Africa

Algeria 18/81 64/33 13/53 48/33
 Cape Town 23/73 18/81 23/73 18/81
 Cairo 23/73 18/81 23/73 18/81
 Harare 23/73 18/81 23/73 18/81
 Lagos 23/73 18/81 23/73 18/81
 Nairobi 23/73 18/81 23/73 18/81
 Tunis 14/57 64/44 13/53 48/33

Latin America

Buenos Aires 21/68 17/62 20/58 16/44
 Lima 23/73 18/81 23/73 18/81
 Mexico City 23/73 18/81 23/73 18/81
 Santiago 23/73 18/81 23/73 18/81

Oceania

Auckland 21/68 17/62 20/58 16/44
 Sydney 23/73 18/81 23/73 18/81

TRAVEL UPDATE

LOT and BA Seeking Cooperation

KLM Will Discontinue 2 Routes

Heavy snow fell on Tokyo Thursday, forcing the cancellation of 475 domestic flights at Haneda airport, delaying

Have Stocks Topped ?

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Nagano received 50 centimeters of snow. (Reuters)

A headline Saturday erroneously reported the number of people that Owens Corning plans to lay off. It is 2,200.

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| COUNTRY/CURRENCY | | 2 MONTHS NEWSTAND PRICE | 2 MONTHS OTHER PRICE | DISCOUNT OF COVER PRICE |
|---------------------|------|-------------------------------|----------------------------|-------------------------------|
| AUSTRIA | ATS | 1,456 | 1,500 | 55% |
| BELGIUM/LUXEMS. | BEF | 3,380 | 3,250 | 50% |
| DENMARK | DKK | 780 | 765 | 50% |
| FINLAND | FM | 624 | 610 | 50% |
| FRANCE | FF | 212 | 210 | 60% |
| GERMANY | DEM | 72 | 72 | 72% |
| GREAT BRITAIN | £ | 47 | 27 | 83% |
| HONG KONG | HKS | 72 | 500 | 80% |
| ITALY | ITL | 145,600 | 38,000 | 22% |
| JAPAN | ¥ | 26,000 | 12,150 | 53% |
| MALAYSIA | RM | 102 | 105 | 40% |
| NETHERLANDS | FLG | 195 | 73 | 60% |
| NORWAY | NOK | 154 | 52 | 50% |
| SINGAPORE | S\$ | 102 | 50 | 50% |
| SPAIN | PTAS | 11,700 | 5,600 | 53% |
| SWEDEN | S | 102 | 43 | 50% |
| SWITZERLAND | CHF | 76 | 33 | 46% |
| USA | \$ | 18 | 19 | 50% |
| ALL OTHER COUNTRIES | \$ | 65 | 65 | 50% |

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Charge my: ☐ Amex ☐ Diners ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard

Card No. _____ Exp. Date: _____

Signature: _____

For business orders, indicate your VAI No: (H) VAI Number FR74732021136

Mr/Mrs/Ms Family Name: _____

First Name: _____ Job Title: _____
Mailing Address: _____

City/Code: _____

Country: _____

Home Tel No: _____ Business Tel No: _____

E-Mail Address: _____
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THE AMERICAS

Tobacco Firm's Memos Took Aim at the Young

A 'Smoking Gun'? Secret Documents Depict R.J. Reynolds as Avid to Win Over Teenagers

By John Mintz and Sandra Torrey
Washington Post Service

WASHINGTON — R.J. Reynolds Tobacco, the second-largest cigarette company in the United States, sought for decades to reverse the declining sales of its brands by developing aggressive marketing proposals to reach adolescents as young as 14 years old, according to company documents.

The 81 internal memos and other documents, released Wednesday and covering the period from 1973 to 1990, contrast sharply with the company's declarations that it does not woo young people. The papers depict a company that seemed to have decided that its future depended on recruiting a new generation of smokers.

Many of the documents outline the thinking that led up to the 1988 introduction of its Joe Camel cartoon advertising campaign. The campaign, criticized by smoking foes as an appeal to children, was ended last year by the company.

clear for our established brands: 1. Direct advertising appeal to the younger smokers."

Some foes of the tobacco industry said the documents could damage prospects for congressional passage of the tobacco settlement, in which the industry would pay billions of dollars in exchange for some protection against lawsuits.

A former Food and Drug Administration commissioner, David Kessler, who has criticized the settlement, said the documents will have profound effects because now "there's no question" that the industry courted children. "If you are looking for a smoking gun regarding youth smoking, you need to look no further," he said.

The Justice Department also is investigating whether Reynolds and other tobacco firms committed perjury or hampered federal investigations by saying that they never deliberately marketed to children.

The documents outline Reynolds executives' concern about the company's future because of two facts about smoking: First, brand loyalty is so strong that it is extremely tough to get smokers to switch brands. Second, the great majority of smokers — recent research shows 89 percent — started smoking by age 18.

There are numerous references from the mid-1970s to the company's need to appeal to 14- to 24-year-olds. A 1975 memo says that "to ensure increased and longer-term growth for Camel Filter, the brand must increase its share penetration among the 14-24 age group."

In a July 1980 memo the company's head of marketing, Gerald Long (later Reynolds's chief executive) noted that a competing brand, Marlboro, had 59 percent of the 14- to 17-year-old market, while the Reynolds brands' combined share of this youth market was 19.9 percent. "Hopefully," Mr. Long wrote, "our various planned activities that will be implemented this fall will aid in some way in reducing or correcting these trends."

Starting around 1980, as lawsuits mounted, company officials stopped referring, even internally, to any interest in marketing to anyone younger than 18. A September 1980 memo, stamped "Confidential," said executives must change their terminology for referring to this "target market."

And memos in the 1980s referring to Joe Camel never explicitly state that the company designed the campaign to attract young smokers, but they seem to provide strong support for that.



Pinochet foes protesting outside Congress at legislators debated his role.

Pinochet Will Delay Exit, Defense Ministry Says

The Associated Press

SANTIAGO — Angered by criticism and threats of a political trial by Congress, General Augusto Pinochet has postponed his retirement from the army, according to the Defense Ministry.

General Pinochet, who remained army commander after relinquishing power in 1990, ending a 17-year dictatorship, is allowed by the constitution to keep his military post until March 11.

However, he had made it clear that he intended to retire by the end of this month to become a senator for life, as provided for by the constitution, which he helped write in 1980.

Meanwhile, clashes between General Pinochet's supporters and foes shut down a session of the lower house of Congress on Wednesday. Lawmakers were to discuss General Pinochet's role since leaving power and consider a trial to block him from joining the Senate.

Shouts of "Long live Pinochet!" were countered with "Assassin, assassin!"

The insults quickly gave way to scuffles among spectators.

General Pinochet's decision to join the Senate triggered criticism from lawmakers and a threat of a political trial.

A brief Defense Ministry statement Wednesday did not give a retirement date for General Pinochet, 82.

Interior Minister Carlos Figueroa said that the government was not concerned by General Pinochet's decision. Pro-government lawmakers, however, criticized him for what the Socialist Party president, Camilo Escalona, called "an act of cowardice."

"He is afraid of entering political debate as a civilian on an equal situation as we are," Mr. Escalona said, "and once again takes shelter in the uniform."

But rightist politicians defended General Pinochet, saying he was reacting to a campaign against him. "They are trying to kill the image of the man who saved Chile," a rightist senator, Julio Lagos, said of General Pinochet's critics.

California Runoff For Congress Seat

SAN LUIS OBISPO, California — In a blow to national Republican leaders, a conservative maverick edged the chosen candidate of his party's establishment in a special congressional primary on Tuesday and will face the widow of Representative Walter Capps in a runoff to fill the seat left vacant by the Democrat's death.

Lois Capps had 62,013 votes, or 45 percent, followed by state Assemblyman Tom Bordonaro, with 40,146 votes, or 29 percent. The Republican Party's choice, Assemblyman Brooks Firestone, trailed with 33,957 votes, or 25 percent.

Because no candidate received more than 50 percent of the vote in the open primary, the top finishers from each party will compete in the runoff on March 10. The winner, who will fill the remainder of the term, is expected to become the favorite in the regular election in November.

Labor Secretary Under Investigation

WASHINGTON — The Justice Department has opened a preliminary investigation into an accusation that Labor Secretary Alexis Herman accepted illegal funds in exchange for assisting a business associate while she served as a White House aide during President Bill Clinton's first term, department officials said.

The opening of the investigation is not itself a sign that there is proof of wrongdoing by Ms. Herman. The department is required to look into any specific and credible accusation against a cabinet official. The inquiry will determine only whether there is enough information to justify appointment of an independent counsel who would further investigate the matter.

The secretary's sole accuser is Laurent Yene, a 42-year-old African businessman who has said he gave Ms. Herman money in exchange for access to the White House, officials said.

Ms. Herman's lawyer, Neil Eggleston, said, "These allegations against Secretary Herman are just not true."

Voters Shift Favor To Republicans

WASHINGTON — A bipartisan team of pollsters says that two trends threaten Democratic prospects in the November congressional elections: the movement of older voters and "soccer moms" toward the Republican Party.

A Republican, Ed Goetz, and a Democrat, Celinda Lake, who have been conducting similar polls since 1991, both agreed that Democratic prospects of winning back the House are weak.

A survey of 1,000 people found that those over 65 are now inclined to vote for a Republican congressional candidate over a Democrat by 41 percent to 36 percent, compared with a 1993 split favoring the Democrat 36 percent to 34 percent.

Among mothers of children living at home, a very rough approximation of the group that came to be known as "soccer moms" in the 1996 election, 46 percent said they are likely to vote for Republican congressional candidates and 36 percent said they would vote for Democrats.

Quote/Unquote

Wade Henry, a black real estate agent from Phoenix, speaking to President Bill Clinton's advisory board on race relations: "I pay taxes, I want value for my dollar, I appreciate you being here, but I want something done. If not, then stop wasting my money."

Trafficking in Nurses Ring Obtained Over 500 Fraudulent Visas

By Katharine Q. Seelye
New York Times Service

WASHINGTON — More than 500 nurses were smuggled into the United States from the Philippines and South Korea over the last several years by an illegal ring that capitalized on the nationwide nursing shortage that plagued hospitals and nursing homes earlier in the decade, according to U.S. prosecutors.

Federal officials said this was the first time that a smuggling network involving so many people with such high professional skills had been uncovered.

"We've never found a case of this magnitude," said Paul Coggins of Dallas, the U.S. attorney for the northern district of Texas, where many of the foreign nurses worked.

Apart from the numbers involved, the case is extraordinary because the workers were not brought into the United States under blankets in trucks coming across the Mexican border but on major airlines, with fraudulently obtained visas.

The nurses were funneled to at least 35 states and cost American nurses an estimated \$13 million in lost salaries by taking jobs at substandard wages, according to Mr. Coggins's office.

Five Americans pleaded guilty Wednesday to fraud charges in connection with the smuggling ring. The five, one in New Jersey, one in Texas and three in California, lured the foreign nurses into their smuggling ring by promising them specific jobs in the United States.

Under a congressionally approved program from 1989-95, to alleviate the nursing shortage, a foreign nurse who indicated that a specific position was promised could obtain a special visa to the United States. The defendants admitted they had lied to the government by saying they were unable to find American nurses to fill the positions.

The nurses paid the operatives \$1,500 to \$7,500 to obtain the visas and to bring them to the United States, where they were often sent to jobs different from those they had been promised, federal prosecutors said.

Prosecutors said 570 nurses had been illegally placed in positions, paid substandard wages and lived in crowded, unsanitary conditions. Lynn Ligon, a spokesman for the Dallas office of the Immigration and Naturalization Service, said he expected the nurses to "scatter to the four winds." If found, they could be charged with fraud and deported.

Clinton to Give Deposition in Sex Lawsuit on Saturday

By Francis X. Clines
New York Times Service

WASHINGTON — The White House has confirmed that President Bill Clinton will privately give a deposition Saturday at his lawyer's office, thus moving Paula Corbin Jones's sexual misconduct lawsuit to the brink of the public trial scheduled for May.

In brief, oblique remarks, the White House press secretary, Michael McCurry, indicated that Mr. Clinton would journey a few blocks to the office of his lawyer, Robert Bennett, about 10 A.M., thereby denying Mrs. Jones and her lawyers the graphic trappings of the White House grounds when they question him under oath about his sex life.

Mrs. Jones is expected to be at the session, which her representatives are portraying as a confrontation, while Judge Susan Webber Wright of U.S. District Court in Arkansas will be available, if only by telephone, to settle any

procedural disputes in the highly inflammatory civil suit.

If the president chooses, the videotaped deposition will amount to his final word on the matter under Supreme Court guidelines, unless he and Mr. Bennett decide he should testify further at the public trial in Little Rock, Arkansas, scheduled to open May 27. The videotape will be available for playing at the trial, with Mrs. Jones's lawyers having no power to compel Mr. Clinton to testify in person.

The deposition is thus portrayed by some of the president's advisers as the point of no return in the confrontation, with the possibility of a negotiated settlement unlikely and the need for a court victory vital to the president's legacy.

If there is no earlier dismissal of the case, the lawsuit is to be heard by a 12-member jury, with a unanimous decision required for Mrs. Jones to succeed.

In theory, the deposition could be ordered permanently sealed in the event

of a negotiated settlement before the trial. But Mr. Clinton's advisers reject Mrs. Jones's insistence on a personal apology as part of any cash settlement.

Furthermore, they consider that once the deposition is made, with hours of questions and answers expected to delve in detail into Mr. Clinton's sexual history, the possibility would be slim of keeping such a record secret in the face of forces ranging from raw politics to tabloid titillation.

"Psychologically, this will be a major moment for us," a White House adviser said. "With the deposition, the president knows he will never have to ever again testify on this, and we're then thinking legacy and court victory."

Mr. Clinton has denied Mrs. Jones's accusation that in 1991, when he was governor of Arkansas and she was a state worker, he summoned her to his hotel room in Little Rock, exposed himself and asked for oral sex.

Mrs. Jones says she is suing to protect

her reputation. Mr. Bennett has said she is being used by anti-Clinton militants "out to hurt the president."

The White House said the usual security procedures would be followed for the president's visit to Mr. Bennett's office on New York Avenue, three blocks northeast of the White House. This means Mr. Clinton will probably not be in sight of the mass of news cameras expected to be on the street outside the deposition scene. His limousine will stop at the building either in a special portable security tent or by way of the building's garage entrance.

Previously, he offered taped testimony in Whitehouse proceedings, but as a witness, not a defendant. His effort to delay Mrs. Jones's suit until after he left office was rejected by the Supreme Court in May.

The president has been preparing for the deposition for several days, White House officials said, immersing himself in the likely questions of Mrs. Jones's lawyers from the Dallas firm of Rader, Campbell, Fisher & Pyke.

They have already indicated their intent to question the president about various allegations that he committed adultery and that he used Arkansas state troopers to summon women, including Mrs. Jones.

Drop in Murder Rates Skips Some Cities

By Michael Janofsky
New York Times Service

LOUISVILLE, Kentucky — Contrary to the trends that show homicide rates falling in many of the country's largest cities since 1994, some American cities with populations of several hundred thousand are experiencing increases in killings.

Officials in Louisville, Kentucky, say that since crack cocaine began flooding into the city in the early 1990s, the homicide rate has soared. In 1997, according to federal and local authorities, homicides in Louisville jumped to a 17-year high of 68.

In Fort Wayne, Indiana, last year, the police recorded 37 killings, up from 13 in 1996.

The Nashville metropolitan area, one of the fastest-growing in the country, with 525,000 people, logged a record 112 homicides last year.

In some medium-sized cities, the murder rate has been fluctuating after rising in the early 1990s. Among them were Cincinnati, where homicides jumped to 40 in 1997 from 32 in 1996, and Chattanooga, Tennessee, where they rose to 36 in 1997 from 21 in 1996. Both cities had years in this decade in which they had more killings than in 1997.

Not all medium-sized cities are seeing rising homicide rates. The police in Memphis, Tennessee, redeployed many officers into neighborhoods as part of a stepped-up effort at community policing, and homicides dropped last year to

157 from 181 in 1996 and 190 in 1995. With similar efforts in El Paso, Texas, the number of killings fell to 27 last year from 32 in 1996.

But the surge in killings elsewhere, often a byproduct of drug activity, contrast sharply with the decline in the overall crime rate across the country.

Though there is much debate about declines and increases in murder rates, police officials and others point to evidence of a rising and more violent drug trade in medium-sized cities and the fact that some of these cities are just catching up with the latest trends in crime-fighting.

"Smaller cities are going through what bigger cities went through five years ago," said Alfred Blumstein, a professor of public policy at Carnegie-Mellon University in Pittsburgh, referring to drug use contributing to homicides.

"There is a lag effect in the smaller cities, caused not necessarily by the saturation of drugs in big cities but the propagation of markets. There may be entrepreneurs from big cities looking to expand or new entrepreneurs in small cities looking to get involved."

In any case, Mr. Blumstein said, the influx of drugs into cities such as Louisville and Nashville with their underserved markets is touching off the same cycle of violence that big cities have long been accustomed to: territorial disputes between dealers leading to gunplay, then increased efforts by law-enforcement agencies and community groups to fight the rising crime.

Only then do crime rates fall, law-enforcement specialists say, as they have in New York, Los Angeles and other large cities.

Comparing data for cities in the first six months of 1997 with those of the same period in 1996, the latest statistics available from the Justice Department show that crime dropped 6 percent in cities with populations of more than 250,000 and fell 1 percent to 3 percent in suburban and rural areas. Reflecting the drop in the larger cities, the overall homicide rate for these areas fell 9 percent.

Citing places such as Louisville, where the police last year linked one of every four killings to drugs, and Nashville, where nearly one of every two killings was linked to drugs, federal law-enforcement officials say it is evident that illegal drugs — crack, powder cocaine, heroin and more recently methamphetamine, an all-purpose drug that can be smoked, snorted or injected — are playing a larger role in violent crimes outside the largest U.S. cities.

Officials say the attractiveness of smaller cities to drug dealers also stems from their convenient location along interstate highways, which makes distribution easier and faster, and the smaller size of their police departments.

"We've seen an increase in activity all over the Midwest," said Larry Galina, special agent in charge of Drug Enforcement Administration in charge of Kentucky, Ohio and Michigan. "Violence is going up, and more teen-agers are getting involved. Why? Because of an increase in drugs. It all fits in."

CROSSWORD

ACROSS

- 1 Comes out
- 7 Johns Hopkins subj.
- 11 PC display unit
- 14 Sagun's Muse
- 15 So. in Toronto
- 16 Part of H.R.H.
- 17 Biblical oneirocritic
- 18 Cuba, por ejemplo
- 19 Today's playmate
- 20 Start of a query
- 21 Song of Solomons

DOWN

- 2 Detergent brand
- 3 Outlaw's cover
- 4 Bloc
- 5 80's aerobics video star
- 6 Site for a brawl
- 7 — test
- 8 Cheat on one's diet
- 9 Sleeping
- 10 Jamaican liquor
- 11 Innocent
- 12 Suburb of Boston
- 13 Business person

Solution to Puzzle of Jan. 15

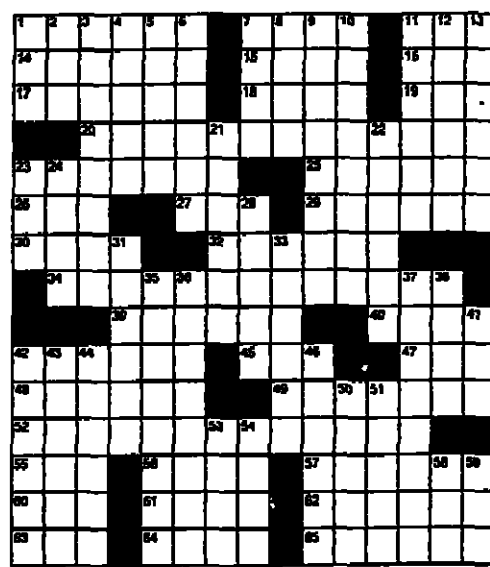
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ACROSS

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- 44 Old Portlands
- 45 Wash undone

DOWN

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- 3 Outlaw's cover
- 4 Bloc
- 5 80's aerobics video star
- 6 Site for a brawl
- 7 — test
- 8 Cheat on one's diet
- 9 Sleeping
- 10 Jamaican liquor
- 11 Innocent
- 12 Suburb of Boston
- 13 Business person



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ASIA/PACIFIC

East Asia Turmoil Poses Global Economic and Security Risk, Cohen Warns

By Michael Richardson
International Herald Tribune

SINGAPORE — Reflecting American concern about the destabilizing effects of East Asia's financial turmoil, Defense Secretary William Cohen said Thursday that if flash points in the region "from Korea to the Taiwan Strait and beyond" were ignited they would have "scorching effects on the security and economies" of countries around the globe.

Citing the Korean Peninsula as "one of the most dangerous places on Earth," he said that if the United States did not remain firmly committed to defending South Korea, "then that might very well send a signal to the North that now is the time to take advantage of the economic difficulties of the South."

In recent comments in Malaysia and Indonesia, officials traveling with Mr. Cohen said that the East Asian economic crisis could cause civil unrest in some countries and conflict between others.

In Singapore on Thursday, Mr. Cohen used the link between economic difficulties and instability to reinforce the case for the continued presence of 100,000 U.S. troops in the region, most of them stationed in Japan and South Korea.

To save money, military spending is being cut in South Korea and many other East Asian countries affected by the economic downturn.

Mr. Cohen, who will visit South Korea next week on the last stop of a seven-nation East Asian tour, said that North Korean forces were stationed close to the Demilitarized Zone dividing the two parts of the peninsula.

"It would not take long to mount a massive assault on the South," he said. "The fact that we have some 37,000 troops in South Korea that are well prepared to defend against such an attack and the fact that we have indeed provided some economic assistance to South Korea in the current difficulties they are experiencing sends a positive signal that we are supporting the South Korean people."

Analysts said that Mr. Cohen's remarks reflected a dual concern of the Clinton administration: that the North might seek to take advantage of the South's sudden economic weakness and that growing congressional opposition to use of U.S. money to bail out troubled Asian economies might encourage such adventurism by further weakening the South.

In a speech American officials said was intended to set out key themes of U.S. engagement in East Asia in difficult and uncertain times, Mr. Cohen said that the region had "potential flash points from Korea to the Taiwan Strait and beyond that, if ignited, would have scorching effects on the security and economies in Asia, North America and around the globe."

He said that many Asian countries supported "the integral role of American military power as a stabilizing force in the region."

The Singaporean defense minister, Tony Tan Keng Yam, announced Thursday that U.S. aircraft carriers and other warships could call free of

charge for port visits and maintenance at a giant naval dock being built at Changi, on the northeast coast of Singapore, at a cost of \$35 million. The dock is due to be completed in 2000.

U.S. military ships and planes already have extensive access to Singapore bases and resupply facilities. But aircraft carriers based in the Pacific Ocean, which regularly pass through the Malacca Strait on their way to and from patrol duty in the oil-rich Gulf, have to anchor in Singapore Harbor because there is no naval berth large enough to accommodate them.

Mr. Tan said that the "presence of U.S. forces is a positive influence for regional peace and stability, and the access that the U.S. has to facilities in Singapore is important in facilitating that presence."

Mr. Cohen said that Washington and Seoul agreed last month on the need to "maintain our bilateral security alliance for the long term," while adapting it to changing circumstances.

"Again, this is a very important statement to

the region that the U.S. intends to maintain a military presence in South Korea even if the two Koreas are united," he said.

In a gesture of reassurance to China, Mr. Cohen said that the recently strengthened U.S.-Japanese security alliance did not seek to isolate any nation in the region.

Beijing has repeatedly said that the alliance was provocatively expanded to cover Taiwan, China regards Taiwan as a renegade province and says it will invade the island if it declares independence. Mr. Cohen, who will fly to Beijing this week-end after visiting Thailand on Friday and Saturday, said that no nation had benefited more than China from what he called the stabilizing effect of America's security engagement in Asia.

"Today, China is an Asian power, and right fully so," he said. "The United States does not fear this, nor do we view China as an adversary. Rather, we seek to encourage China to step forward as a responsible and cooperative great nation."

Food Riots Disclosed By Indonesian Paper

Reuters

JAKARTA — Riots erupted in several towns in East Java Province this week after the price of basic food shot up during Indonesia's economic crisis, the Jakarta Post newspaper reported Thursday.

It quoted the armed forces spokesman, Brigadier General Wahab Mokodongan, as saying that the riots broke out Tuesday.

The report, which could not be immediately confirmed, followed panic buying of food in the capital last week as residents fearing skyrocketing prices crammed supermarkets.

Indonesia's financial crisis has depressed the currency, the rupiah, and the price of many basic goods has increased across the world's fourth most populous nation.

"Some stores sold rice more expensive than the price established by the logistic agency," General Mokodongan said.

The official Antara press agency said that there were disturbances in the east Java town of Banyuwangi on Monday and that shops were attacked by residents because of high prices.

In the town of Jember, 200 kilometers (125 miles) southeast of the provincial capital of Surabaya, hundreds of people destroyed stores, supermarkets and kiosks, the Jakarta Post reported.

At least 15 shops were destroyed by rioters in Jember, who went on the rampage in search of food, it said.

Similar disturbances were reported in two other towns, the newspaper added.

In response, the government deployed hundreds of security personnel near main supermarkets and along the main roads of Surabaya, Indonesia's second-largest city.

No incidents were reported Wednesday or Thursday.



WATERY GRAVE — At least 20 Filipino seamen are dead or missing in the sinking of a Panamanian-registered freighter, the New Baron, which ran aground in the stormy Sea of Japan less than a kilometer off the South Korean town of Ulsan on Thursday. This photograph shows the freighter just before it sank.

day or Thursday. The country's powerful military, in an apparent bid to restore investor confidence, said Wednesday that the country was stable.

5 Ask French for Refuge

Five people from the disputed ter-

ritory of East Timor sought refuge in the French Embassy in Jakarta on Thursday, The Associated Press reported.

The East Timorese leaped over the fence, said Dominique Rubert, a spokesman for the embassy.

He said they were still inside the em-

bassy but offered no further details.

In other East Timor news, rebels ambushed a car and shot and killed two members of the civilian defense force in the territory, Colonel Slamet Sidabara, chief of the local military, said Thursday.

Qantas Trims Flights on Asian Routes

Compiled by Our Staff From Dispatches

MELBOURNE — Qantas Airways Ltd. said Thursday it would cut back on flights into economically distressed Southeast Asia next month, saying as many as 70 percent of its seats on those routes were empty.

Qantas, considered one of the region's stronger airlines, said it would suspend some of its flights connecting Australia with Jakarta, Bangkok and Kuala Lumpur starting Feb. 21.

The airline withdrew this month from South Korea, where the flow of passengers leaving for Australia had virtually dried up because of the financial crisis there.

The airline said its routes to Britain, the United States and Europe were helping to offset the Asian downturn but said there was no match for the speed and scale of Asia's economic weakness.

"Certainly, I would have to say we are suffering more from the downturn than we are getting from any upturn," said Qantas's commercial executive general manager, Geoff Dixon.

He described the canceled Southeast Asian flights as "development routes" that had always lost money, and said Qantas would keep its core links with Indonesia, Thailand and Malaysia.

"What we've really done is take out those routes that were not making money at any rate," Mr. Dixon said.

Services to be scrapped are the twice-weekly flights between Brisbane and Jakarta and Kuala Lumpur, the twice-weekly flights between Melbourne and Jakarta and the twice-weekly flights between Brisbane and Bangkok.

Qantas said it would merge its Perth-Bangkok and Perth-Jakarta routes into a Perth-Jakarta-Bangkok service.

Qantas plans to divert jets from the canceled routes to bolster service into India, China and the Philippines, where business is better, Mr. Dixon said.

The airline and its Australia-based rival, Ansett International, which also pulled out of South Korea this month, are continuing to review their Asian routes. Both said Thursday they also were monitoring Hong Kong, where tourism has been falling.

Separately, Australia's prime minister, John Howard, said the country's economy was strong enough to cope with any fallout from the Indonesian financial crisis.

He said Indonesia's crisis was "a matter of great political significance" but said, "I don't think there's any cause for any direct, immediate concern so far as the Australian economy is concerned."

(Reuters, AFP)

In Europe, Crews Trained to Cope With Trouble

By Barry James
International Herald Tribune

BRUSSELS — Aviation industry experts say airline cabin crews throughout Europe are equipped and trained to deal with most medical emergencies in the air, including heart attacks, strokes and childbirth.

How well equipped depends on the size of the aircraft. Commuter planes carrying up to 30 passengers must carry a first aid kit conforming broadly with minimum requirements set by the International Civil Aviation Organization in Montreal for all carriers.

Larger aircraft must also carry heavy-duty medical packs for use by qualified medical personnel, either passengers or members of the crew, as well as a complete first aid kit for every 100 passengers.

The 15 members of the European Un-

ion belong to the Joint Aviation Authorities based near Schiphol Airport in the Netherlands are to put into law requirements by the agency regarding medical emergencies on airplanes. The regulations are to go into effect April 1, although in practice they are already followed at member airlines, officials at the organization said.

The requirements set by the agency include a daunting list of emergencies and conditions with which cabin crews are expected to be familiar. They include choking, stress, allergic reactions, hyperventilation, epilepsy, heart attacks, strokes, shock, diabetes, asthma, burns, wounds, fractures and childbirth.

Although the medical kits do not legally have to include a defibrillator used to restore heart rhythm, crews are trained in cardiopulmonary resuscitation.

National governments are responsible for airline safety in Europe, and they

approve and monitor aircraft or equipment.

The governments set up the Joint Aviation Authorities to oversee rule-making so that airlines operate under a common set of standards.

Industry officials said the threat of lawsuits for wrongful medical procedures weighs heavily in Europe than in the United States. They said captains would authorize any emergency procedure they thought necessary under the circumstances.

Industry officials said that because Europe is more densely populated than the United States and most aircraft are within less than 30 minutes' flying time from an airport where qualified medical assistance is available, serious emergencies are more likely to be dealt with on the ground than in the air. Statistics on such emergencies are held by individual governments.

JAKARTA: Deal With IMF Targets Cartels Controlled by Leader's Family and Friends

Continued from Page 1

The military has said it is ready to quell outbreaks of violence as prices rise, factories are forced to close and people lose their jobs. On Thursday, local newspapers reported riots in three towns in eastern Java where food supplies had run short.

The crisis comes at a critical moment in Indonesia, when Mr. Suharto appears set to be named in March to a seventh five-year term, even as dissatisfaction with his leadership grows. Many analysts foresee widespread unrest amid increasing economic hardships compounded by long-simmering anger over the repressive and high-handedness of Mr. Suharto's military-based government.

In personally signing the "letter of intent" with the IMF, Mr. Suharto stepped from his accustomed behind-the-scenes leadership position to center stage,

embracing and endorsing austerity measures that he had resisted for months. He said he would preside over a new cabinet committee to oversee the economy.

Michel Camdessus, who as managing director of the IMF signed the agreement with Indonesia, said, "President Suharto wishes to take personal responsibility for the quick and full implementation of the program."

"This revitalized program is bold and far-reaching," Mr. Camdessus added, "addressing all of the critical problem areas in the economy."

James Wolfenson, the head of the World Bank, also praised the measures, saying, "I am confident that if the program is implemented with the determination and commitment that I myself have seen, Indonesia should be able soon to begin to overcome its economic crisis."

DOCTOR: Medical Emergencies Aboard Increase, but Rules on Gear Stay the Same

Continued from Page 1

25-year-old woman, Lashann Royal of Deerfield Beach, Florida, who had suffered a cardiac arrest.

But when Dr. Knight tore open the medical kit that the Delta flight attendants handed him, he found a stethoscope and syringes, but not the equipment he needed most: a breathing tube and a device to pump oxygen into the lungs.

Despite continuous cardiopulmonary resuscitation, the two men failed to revive the young woman.

She was declared dead when the plane landed.

"The thing that's been so hard about this for me — I watched a 25-year-old girl die, essentially down, with what I think is the ability to have made a difference," Dr. Knight said. "And I did not have the equipment."

Delta Air Lines, which carries more passengers than any other U.S. airline, says that its planes are equipped with the medical emergency equipment required by the Federal Aviation Administration and that its crew followed all procedures correctly in the incident.

Reported medical emergencies on board U.S. airlines have increased from about 3 a day during the late 1980s to 29

a day in 1996, according to data collected by the Air Transport Association, the trade group for the major airlines.

Yet federal rules for medical equipment on large passenger airplanes have not been revised since 1986. Flight attendants are not required to be trained in basic rescue procedures such as cardiopulmonary resuscitation. Airlines are

not even required to report medical emergencies to the Federal Aviation Administration.

"I would say that the majority of airlines do not train their people," said James Atkins, a professor of internal medicine at the University of Texas Southwestern Medical Center.

At a congressional hearing last May, representatives of medical organizations, a flight attendants' group and members of the public urged the aviation agency to revise the list of standard medical equipment, to require more extensive medical training for flight attendants and to consider requiring that airlines making long or over-water flights carry defibrillators — devices that administer an electric shock to

a person whose heart has stopped. Some have also asked Congress to enact a "Good Samaritan" law that would protect doctors and others from being sued after trying to treat a sick or injured person during a flight.

American Airlines began carrying defibrillators on its over-water flights in July. Tuesday, three weeks after Ms. Royal's death, Delta announced plans to put defibrillators and an expanded medical kit on all flights, starting this summer, American has said it will

provide defibrillators and expanded medical kits on all flights by next year.

The medical kit on Dr. Knight's flight last month contained the standard items specified by the 1986 rule. They include a stethoscope, an instrument for measuring blood pressure, needles and syringes, and plastic tubes that can be placed in the mouth to keep the tongue down, as well as a handful of drugs to treat chest pain, low blood sugar, asthma and allergic reactions.

But the plane had no defibrillator, which offers the best chance of saving someone whose heart has stopped. In the absence of one, Dr. Knight looked for a breathing tube to administer oxygen.

"If you're going to give mouth-to-mouth resuscitation too long, they're going to regurgitate," he explained. A breathing tube would prevent the patient from choking.

"If they're going to call a doctor to come forward but not equip him with the right stuff," Dr. Knight said, "why call the doctor?"

Many foreign airlines provide more extensive medical kits than U.S. carriers, and several — including Qantas Airways, Virgin Atlantic Airways and Air Zimbabwe — carry defibrillators. Earlier this month, a Virgin Atlantic passenger became the first person to be defibrillated in U.S. airspace.

The medical kit now required by the aviation agency "is pretty minimal," said David McKenas, American Airlines' corporate medical director, explaining why the company decided to add small, portable defibrillators on over-water flights. "For American Airlines, we saw that we just did not carry

the medical equipment we needed for what we were seeing," he said.

Air travel in the United States has increased enormously, and experts have linked the growth in airborne medical emergency to this and to the aging of the population and more frequent travel by people with chronic illnesses. The new information comes from nine member airlines — representing 90 percent of the U.S. passenger market — which collected data on in-flight medical emergencies during 1996.

There were 10,471 emergencies reported, an average of 29 per day. Heart disease accounted for 1,020 and was the most frequent category of emergency severe enough to divert a flight.

The report contains no information on how many people die during medical emergencies on U.S. airline flights. "Nobody really knows that," said Jon Jordan, the aviation agency's federal air surgeon. A passenger who dies during a flight is not officially pronounced dead until arrival at a hospital or a coroner's office, and airlines are not required to obtain follow-up information, he said.

Dr. Jordan said that when the current rules for the in-flight medical kit were drawn up, some medical groups "cautioned us against putting a lot of sophisticated equipment or medications on board aircraft," and warned that some drugs and devices, in inexperienced hands, "could do more damage than good."

Dr. Jordan said the aviation agency was analyzing a new set of data on medical emergencies, and has not yet decided whether to propose new rules on medical equipment.

Dr. Knight said he was encouraged by Delta's decision this week to provide defibrillators and expand its medical kit, but he thought the aviation agency ought to require resuscitation training for all flight attendants and better medical kits on all airlines.

"This has changed my life," Dr. Knight said. "Every night since then, I have relived this. I'm not the sort of person to have nightmares, normally."

"You go through your training, you see people die all the time. But in a hospital, you slept at the end of the day because you knew that you had done everything you could have done. In this case, it's not that way."

A Top Democrat Threatens to Fight IMF's Bailouts

Reuters

WASHINGTON — The second-ranking Democrat in the House of Representatives, David Bonior, has threatened to oppose bailouts for Asian economies as some Republicans rallied against funding for the International Monetary Fund.

"We cannot close our eyes to the interdependence of the global economy," Mr. Bonior of Michigan, the minority whip, said. "We need to help. But this help should not be a bailout for bankers, speculators or repressive dictators."

"We cannot support a bailout that imposes an economic stranglehold on working people, tramples democratic rights, ignores the underlying causes of instability, and then asks the American taxpayer to foot the bill," he added.

The voice of skepticism — from President Bill Clinton's party — added to congressional opposition to the IMF's multibillion-dollar bailouts for South Korea, Indonesia and Thailand. Mr. Bonior said the administration should use its leverage to expand democratic rights and to raise wages and living standards in hard-hit Asian countries.

When it reconvenes this month, Congress will be asked to approve an extra \$3.5 billion for the IMF for an emergency lending facility and \$15 billion to cover the U.S. share of replenishing IMF funds. Urging fellow Republicans to oppose new funding unless the IMF undergoes drastic changes, Senator Lauch Faircloth of North Carolina, said the policies of the IMF and the administration were "part of the problem, not the solution."

BRIEFLY

India and Pakistan Agree to More Talks

DHAKA, Bangladesh — The prime ministers of India and Pakistan agreed Thursday to continue top-level contacts aimed at reducing tension between the historic rivals, Indian officials said.

Prime Minister Indira Kumar Gujral of India and his Pakistani counterpart, Mian Nawaz Sharif, met here on the sidelines of a regional business conference with Bangladesh. The meeting was the fourth in a series between the two men since March. (Reuters)

Vietnam Assails Vatican Report

HANOI — Vietnam accused the Vatican news outlet Fides of "slander" Thursday, saying a report that accused Hanoi of barring two Roman Catholic priests from attending a church synod had offended the government.

"There is no issue about refusing exit visas for the two priests," said Phan Thuy Thanh, a spokeswoman for the Foreign Ministry. "I must make clear these two men were not included in the list that the Catholic Bishop's Council submitted for travel procedures."

Fides is the weekly report of the Congregation for the Evangelization of Peoples, the Vatican's missionary arm that deals with church affairs in developing nations. (Reuters)

Bangladesh Rebels Set Disarmament

CHITTAGONG, Bangladesh — Tribal rebels in the southeastern Chittagong Hill Tracts will give up their weapons next month under a Dec. 2 peace treaty with the government, officials said Thursday.

The first 400 Shanti Bahini insurgents will disarm Feb. 9 in a ceremony in the hill town of Khagrachari, and all will surrender their weapons by the end of the month, government officials and Shanti Bahini leaders agreed Thursday. The rebels have fought for autonomy in Hill Tracts since 1973. (Reuters)

For the Record

An Afghan plane believed to have strayed off course instead apparently ran out of fuel before it crashed Tuesday into a mountain in southwestern Pakistan, killing all 51 people on board, a Pakistani press agency has reported. (AP)

EUROPE

Montenegro's President Takes Office After Violence

CETINJE, Yugoslavia — Montenegro's new president was inaugurated Thursday after a night of violent protests that underscored the opposition he will surely face in his mission to gain greater autonomy from Serbia.

"Democracy is our future," President Milo Djukanovic said at a ceremony at the royal palace in Cetinje, the former seat of Montenegrin kings, 25 kilometers (15 miles) west of Podgorica, the capital.

He said democracy was constantly being tested "by past prejudices, inertia and misunderstanding of the new," as he witnessed these past days.

At least 51 people, including 45

policemen, were injured Wednesday night as protesters supporting the former president, Momir Bulatovic, looted stores and firebombed the Interior Ministry.

Thirteen people were detained overnight, said Vuk Boskovic, Montenegrin's deputy interior minister. He said some of them had shot at the police.

Allies of the newly elected president accused the Yugoslav government of obstructing democracy in Montenegro, while in Belgrade, the top U.S. envoy to former Yugoslavia harshly criticized Mr. Bulatovic.

"The U.S. government is deeply concerned and the international community deeply offended by the absolutely outrageous behavior by outgoing President Bulatovic in in-

cluding these illegal riots yesterday and last night, completely in contravention with international law and accepted standards," said the envoy, Robert Gelbard.

He said he also held Yugoslavia's president, Slobodan Milosevic, "responsible for supporting these demonstrations and for not restraining his colleague, Mr. Bulatovic."

Mr. Bulatovic has refused to recognize Mr. Djukanovic's victory in the October presidential election, claiming fraud, though foreign observers have called the elections generally free and fair.

Mr. Bulatovic's supporters turned out in force in response to his call for protests. On Wednesday, the third day of protests, riot police used tear gas, clubs and water cannon to

push back about 10,000 demonstrators who threw stones at guards and shattered windows in the government building. Others tossed firebombs at police; some were seen carrying AK-47 automatic rifles.

While Mr. Bulatovic told the crowd that he was no longer president, he did not recognize Mr. Djukanovic's victory. Mr. Djukanovic and his allies said Mr. Milosevic was trying to provoke clashes so he could impose a state of emergency and annul the election results.

The dispute has split the republic and its 650,000 people, with Mr. Djukanovic's backers increasingly favoring independence and Mr. Bulatovic's supporters still loyal to Mr. Milosevic and Serbia, the other remaining republic in Yugoslavia

since the federation broke apart in 1991.

Mr. Gelbard also blamed Mr. Milosevic for Yugoslavia's economic and political hardship, and for the country's pariah status.

"We, the United States, hope that this can be changed, but it is up to Slobodan Milosevic and his friends to lead this country toward a better life," he said.

Mr. Gelbard's comments signaled growing American impatience over Mr. Milosevic's failure to meet his commitments under the Dayton peace accord for Bosnia and over the political crises in Montenegro and Serbia, where the Albanian-majority province of Kosovo is seething with discontent.

BRIEFLY

EU Is Backed on Treated Beef

BRUSSELS — A World Trade Organization ruling will allow the European Union to keep its ban on imports of hormone-treated beef, at least for the time being. EU sources said Thursday.

One EU source said the ruling by the WTO appeals body, to be officially released Friday, supported the bloc's position in banning imports of the meat, a policy that has been fought by the United States and Canada, which say they have lost hundreds of millions of dollars in trade as a result of the ban that came into force in 1989.

A European Commission source described the ruling as "a major turnaround" from an initial decision against the EU by a WTO dispute panel last year. (Reuters)

Jobless Shut Elite Paris School

PARIS — Activists for the unemployed maintained pressure on the French government Thursday, forcing one of the country's most prestigious schools to close as the movement widened to students. A new poll indicated that most French people feel the protests are justified.

The Education Ministry said it had no choice but to close the famed Ecole Normale Supérieure "until further notice" because about 100 protesters refused to end their sit-in at the campus in Paris's Latin Quarter. Police set up a heavy cordon around the school.

The activists have been holding nationwide demonstrations for more than six weeks to demand greater government aid as France's jobless rate hovers at 12.4 percent. (AP)

Turks to Meet EU Lawmakers

ANKARA — Some members of Turkey's Parliament will attend a meeting with European Union parliamentarians in February, despite a pledge by Ankara to suspend political dialogue with the EU, the Anatolian News Agency said Thursday.

The agency quoted the Turkish group's chairman, Bulent Akarcali, a member of the governing Motherland Party, as saying the meeting in Brussels would cover the customs union between Turkey and the EU as well as Turkey's faltering bid to join the bloc. (Reuters)

After Forging Peace in Slavonia, UN Turns It Over to Croatia

BOROVO NASELJE, Croatia — The United Nations handed back the former separatist Serb region of Eastern Slavonia to Croatia on Thursday after running it for two years.

In a symbolic ceremony in an old Communist workers' club, six years to the day after the European Union recognized Croatia as an independent country, Zagreb finally took control of all the land within its borders.

Several long speeches from government, UN and Serb community officials were followed by an exchange of gifts — the president's office was

given a case containing a UN flag and brooch, while the United Nations was handed a Croatian Army shell case. The former UN administrator of Eastern Slavonia, William Walker, looked somewhat surprised at the gift, but the military green case was opened to reveal six bottles of Croatian wine, with hand-painted labels, nestled in straw — and no shells in sight.

It was a gesture that summed up the occasion — the celebration of the peaceful reintegration of a region that had seen some of the worst fighting in the war in the former Yugoslavia.

Rebel Serbs, backed by the

powerful Yugoslav People's Army, took the area, which borders Serbia, in 1991 when they opposed Croatia's bid for independence from the Yugoslav federation.

In a three-month siege, they reduced the regional capital, Vukovar, to ruins and forced some 80,000 Croats into exile.

Two years ago at the Bosnian peace conference in Dayton, Ohio, an agreement was signed allowing the UN to preside over a gradual reintegration of Eastern Slavonia into Croatia proper.

Few thought it would work, but the United Nations succeeded in demilitarizing the

area, holding local elections and persuading local Serbs that they could, and should, live in sovereign Croatia.

With Serb and Croat suspicions still running high, there had been worry that violence would accompany the transfer of authority.

But the process was peaceful, a fact praised by top Croatian government representatives and international officials.

"What we have achieved clearly demonstrates that this region is an example of a successful peace operation," said Hrvje Sarinic, a senior aide to President Franjo Tudjman.

Robert Gelbard, the senior

U.S. envoy for Yugoslavia and its former republics, praised Zagreb for "significant progress" on the road to democracy, but said Croatia had more obligations to meet — honoring commitments to postwar nation-building in neighboring Bosnia and allowing all refugees who fled Serb-Croat fighting on Croatian territory to return.

"It is our expectation that Croatian Serbs or anybody who wants to can return to their homes," he said.

President Bill Clinton also commended Zagreb. By embracing the basic agreements, he wrote in a letter, "Croatia has acknowledged that it

could not be whole and united unless it was also tolerant and diverse."

Mr. Walker said that there was much unfinished business and that the process of two-way refugee returns had proved much more complex than initially apparent. Most Croats want to go back, but their homes are occupied by 60,000 Serb refugees.

A local Serb leader, Vojislav Stanimirovic, said Zagreb would be held to its commitments on refugee returns, compensation for property and "nondiscriminatory attitudes to all citizens of Croatia regardless of their ethnicity." (Reuters, AP)

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THE INTERMARKET
Continues on Page 7

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Do They Want Peace?

The Middle East peace effort is dying for lack of trust, imagination and determination. That is clear from a new Israeli proposal that suffers from a shortage of all three ingredients required to revive negotiations with the Palestinians. The cabinet's idea of an acceptable plan for the next set of Israeli withdrawals from the West Bank is laced with conditions and burdened by a sense that the government no longer has its heart in making peace with the Palestinians.

The peace effort has arrived at this discouraging point because Israeli and Palestinian leaders have forgotten how to talk to one another, no longer believe one another and are content to let the opponents of peace in both camps dictate the terms of negotiation. That is evident in everything from Palestinian laxity about terrorism to cramped Israeli bargaining proposals.

The two sides are now entangled over the issue of reciprocity, a way of reducing the central idea of the Oslo accords — land for peace — to a legalistic debate over which party is abiding by the 1997 agreement to place the West Bank city of Hebron largely under Palestinian control. Both sides have legitimate complaints. The Israelis have failed to proceed with the additional withdrawals they promised, while the Palestinians have moved erratically on security cooperation issues. But the reciprocity debate is serving more as a way to score points than to resolve differences, and it is

undermining the larger peace effort sketched out in Oslo.

There now seems little chance that Bill Clinton can rejuvenate the peace talks when he meets separately next week with Israeli Prime Minister Benjamin Netanyahu and Palestinian leader Yasser Arafat. Renewed movement may require changes beyond Mr. Clinton's control, including greater flexibility from the Israeli cabinet, which on Wednesday defined Israel's vital interests in the West Bank in the broadest terms. A day earlier it had spelled out its position on reciprocity and the next round of troop withdrawals.

Washington must soon decide whether to try to referee the reciprocity debate or to advance its own ideas for peace, leaving beyond the current impasse. Neither option promises success, but either would be preferable to letting the peace collapse.

When he meets Mr. Netanyahu, Mr. Clinton should press for an Israeli withdrawal from an additional 10 percent or more of West Bank territory that begins quickly and is not hedged with preconditions. Mr. Arafat should be told that he cannot justify his own inexcusable lack of consistency on security issues with complaints about Israeli negotiating tactics.

These will not be easy meetings for Mr. Clinton. But America's indispensable role is to remind Israeli and Palestinian leaders of their own interest in completing the peace.

—THE NEW YORK TIMES.

Three Baltic Partners

Of the newly liberated nations of Europe, none have worked harder or staked a more deserving claim to be included in the institutions of the democratic West than the tiny Baltic countries of Estonia, Latvia and Lithuania. Independent between the world wars, the three nations were forcibly incorporated into the Soviet Union in 1940 and suffered greatly thereafter, with many of their citizens deported to Siberia. Independence movements in all three republics played a leading role in hastening the breakup of the Soviet Union, and since 1991 the three reborn nations have set the standard for democratization and free market reform. All three now seek inclusion in NATO, the European Union and other Western organizations.

To the extent that they have been rebuffed, it is not because they are less deserving than Poland or Hungary but because they are smaller and closer to Russia. Many in Moscow still regard the three Baltic nations as lying within Russia's sphere of influence. This may be historically understandable, but it is morally unacceptable, as the Clinton administration has stated clearly. Still, many in America and even more in Western Europe are reluctant to anger Russia by moving too quickly to welcome the Balts.

The result is a diplomatic compromise, a Charter of Partnership to be signed this Friday in Washington by President Bill Clinton and the three Baltic presidents. The charter, negotiated over the period of a year, does not give the Baltic nations everything they would like. It is not a U.S. security guarantee; it will not be ratified by Congress; it does not guarantee their eventual NATO membership. It lumps them together when on a certain level they would like to be treated as what they are — separate nations with very different histories, cultures and languages.

Nonetheless, the charter represents an important step forward in their inclusion into the West.

It properly puts on record America's "real, profound and enduring interest" in the independence and se-

curity of these three democracies. In the charter, the three nations commit to working toward good relations with all their neighbors, including Russia; the United States commits to supporting their aspirations to join NATO. It enshrines the principle that nations should associate on a voluntary basis, not on outdated notions of great-power spheres of influence. That principle is worth something only if it applies to every country, no matter how small or inconveniently situated.

A compromise document like this is not without dangers. Some Europeans may seek to absolve themselves of any responsibility toward the Balts, citing the U.S. role, and may propose the charter as a substitute for EU or NATO membership — which it is not. Hypothetically, it could push Russia toward nationalism, or the Balts toward provocative behavior.

In practice, though, the charter is more likely to have the opposite effect — to encourage both Russia and the Balts to try to get along. Signs of that already are evident. Russia is moving slowly toward border treaties with the three; Estonia and Latvia are moving slowly to make Russian-speaking residents feel more welcome. The hope is that, as Russia becomes more democratic and open, it will come to correctly view the Balts' integration into the West as an advantage, not a threat.

With a combined population smaller than the combined population of Maryland and Virginia, the three Baltic nations are not going to make major contributions to U.S. security in conventional terms. In that sense, they do not come to the signing ceremony as equals with America. But, as Estonian President Lennart Meri pointed out this week, the three Baltic nations, by championing democracy and free markets, are in fact strengthening European and thus U.S. security in a very real way. Perhaps the most important aspect of this charter is that it recognizes that fact — recognizes Estonia, Latvia and Lithuania not as problems to be managed but as partners to work with.

—THE WASHINGTON POST.

Other Comment

Deflation on the March

If inflation is the common cold, deflation is more like a retrovirus that confuses the body's defenses and causes our immune system to self-destruct. Because it is so rare, and so well camouflaged in its incipient stages, it embeds itself in the economic system before the financial authorities are fully alert to the danger. By then it is exceedingly hard to combat. Which is why it would be foolish to disregard the current warning signals of deflation in the Far East.

The last deflation, of course, was the monetary implosion of the early 1930s.

It is an education to go through old copies of American newspapers, reading the daily headlines and the Panglossian quotes of the financial establishment. As late as the spring of 1931, 18 months after the stock market crash, the U.S. Federal Reserve Board was still worried about the threat of price rises. It was staring deflation in the face, but all it could see was phantom flickerings of inflation.

For [Asia] the worst is probably over. Now it is our turn to experience the inflationary draught as these tigers flood the world with cheap exports.

—Ambrose Evans-Pritchard, in *The Daily Telegraph* (London).

Action, Not Personalities, Is the Mideast Essential

By Flora Lewis

PARIS — The separate meetings of Bill Clinton in Washington next week with the Israeli and Palestinian leaders were intended to force a breakthrough in the stalled Middle East peace talks. Reversing a previous tactic of waiting for the adversaries to make proposals so that renewed U.S. mediation could be "useful," the United States decided to try to force the pace by setting the White House dates.

Secretary of State Madeleine Albright insisted that Benjamin Netanyahu bring a "credible" plan for withdrawal from occupied Palestinian territories, and that Yasser Arafat bring an agreed plan for cooperation on anti-terrorism security. The idea was that the deadline and the push on each side to offer concessions would bring renewed negotiations under threat of presidential pressure.

That idea isn't working. The mistake is that it continues to focus on details, on small steps, when the central problem now is the basic one of ultimate intention. Washington continues to choose to believe that both leaders do want to make peace and have to be helped to struggle against their extremists by finding technical adjustments. But however it is expressed now in the fine print about percentages of territory and what constitutes "recipro-

city," the issue is not technical. In fact, Israeli and Palestinian officials did reach general agreement on the technical security questions, but Mr. Netanyahu's government has ruled that insufficient. Instead it has come up with new demands, including extradition of 34 Palestinians, designed to embarrass Mr. Arafat politically so that he can be relied upon to refuse.

From the time of his election last year, based on a severe critique of the Oslo accords, Washington has accepted the Israeli prime minister's stand that he does intend to honor the agreement but requires improved security. There has been remarkable patience waiting for him to show this, first on the grounds that he needed time to organize his government and now that he has to placate his right wing to preserve his fragile coalition.

The pledged and long delayed withdrawal from Hebron last year, preserving and maintaining heavy protection for the small Jewish enclave there, was considered an important test. It was only a symbol, but after so much diplomatic scrambling and heavy breathing it was made to appear as a

great advance and a sign of Mr. Netanyahu's willingness to go forward. That exaggeration only served to harden his intransigent supporters.

There is no way to prove secret intentions. The Palestinians and practically all other Arabs have concluded that Mr. Netanyahu is determined to destroy the peace hopes but to put the blame for failure on Mr. Arafat. Washington still professes to believe in goodwill. The test has to be shifted from personalities to policies.

The United States can only deal with the leaders who are there, but it can make clear that from now on it will judge them and their plans by what they actually do, not by how aggressively or plausibly they argue their intentions.

Israeli politics now offers a new opportunity. The resignation of Foreign Minister David Levy, a relatively moderating voice in the cabinet, weakens the coalition but strengthens the weight of the ultranationalists in cabinet decisions.

Mr. Levy quit primarily, he said, in protest at lavish financial concessions to those groups at the expense of social service claims of his Sephardic constituency. But he also rallied against the blockade of the peace process, although Mr. Netanyahu had implied that he was

being so generous as the price of softening hard-liners. It hasn't done that. The last election showed the public almost equally divided. Since then the gap has become increasingly bitter. With Mr. Levy's defection, new elections are likely to show a new majority, as more and more Israelis despair that the possibility of real peace is being lost; or the way can be opened for a national coalition to make peace.

Washington cannot unseat Mr. Netanyahu or call elections. But by making clear that it will support only a "credible" policy regardless of partisan politics, it can provoke a demand for a definite Israeli decision. It is futile to suggest more mincing compromise steps that continue to blur the real question: Is peace available or not?

More stalling, more illusions only worsen the whole Middle East situation. The Israeli-Palestinian problem cannot be de-linked from U.S. policy on Iraq, because the Arab states which supported the United States in the Gulf War feel that they cannot appear to support this deadlock.

The United States wants peace to work. That should be President Clinton's unequivocal demand of his visitors if they want Washington's backing.

Flora Lewis.

Netanyahu Has Staying Power, and He Can Deliver Peace

By William Safire

WASHINGTON — A politician's ad lib may be actually off the cuff. Israel's prime minister, Benjamin Netanyahu (always falling, never failing), rose to meet the astonished world press after surviving yet another challenge to his leadership with "Look! I'm still here."

He is likely to be at his elected post longer than most Washington politicians. That is because it would take a two-thirds vote of the 120-seat Knesset to throw him out, and it's hard to get 80 members to vote together to go to lunch.

But isn't his government clinging to power with what every account says is "a razor-thin majority" of one vote? In that narrowness there is strength. More than a majority would have to risk their seats in a premature election.

And even if another chunk of his coalition defects, he would run on a platform of "I'm the one to keep enough

of the West Bank for our security, and all of Jerusalem" — and he would win again with a stronger mandate.

Despised by his political opposition (FDR used to say "and I welcome their hatred") and distrusted by the Likud old-timers (the fault of his own cockiness), this young prime minister, with the white-haired Ariel Sharon solidly behind him, is the man who will make the peace with Yasser Arafat if peace is to be made.

Is Mr. Netanyahu prepared to make painful concessions to gain peace with security? He answered that a year ago in signing the Hebron protocol, and kept his promise to release women prisoners and redeploy in the historic city. But he now points to a U.S. envoy's accompanying note listing Palestinian pledges, since broken.

He began negotiations at a disadvantage. The Oslo agree-

ment called for Israel to give up unspecified portions of the West Bank to the Palestinian Authority on the installment plan, leading up to a final discussion about other Arab claims including Jerusalem. The hope was that mutual trust would be built along the way.

Trust is not what developed. Bombs savaged Israelis. Mr. Arafat put under arms double the agreed-on number of Palestinians but refused to confront the Arab terrorist network and did not rescind the PLO oath to destroy Israel.

The great flaw in the Oslo accord became apparent: If Israel handed over most of the West Bank before the final negotiation, as Mr. Arafat confidently expected, it would have no leverage of land left to counter Arab demands that settlements be closed down and Jerusalem divided.

Fortunately, Oslo left the

size and scope of the withdrawals from the West Bank to Israel. When Mr. Arafat repeatedly broke his word, Mr. Netanyahu exercised his option to hand over less of the West Bank in each installment. He then proposed to move immediately to final settlement talks, at which time Israel would have substantial West Bank land to offer to close the deal.

Mr. Arafat refused. First give us the West Bank, all of it, and then we'll talk about Jerusalem, our capital. He looked to the United States to lean on Israel to make this happen.

That is why next week's headlines will be about percentages of land in the next installment. Whatever it is — 10 percent would be a stretch — Mr. Arafat's outraged chief negotiator has already declared, "We will not accept any division of the West Bank." All or nothing.

Israel rightly wants reciprocity — "peace for land" —

before the next installment. Result of deflating unrealistic expectations: Palestinian outrage.

Bill Clinton should meet Israel's leader halfway in establishing rapport. He should then persuade Mr. Arafat that his route to sovereignty is to skip the installment plan and go to final talks now because time is on neither side's side.

A good neighborhood cries out to be created. We have seen the prospective maps: a Palestinian state — flag, passports, port, airport — on almost all of Gaza and a substantial majority of West Bank land, with Israel's settlements and security on the rest. More than one place can be called Jerusalem.

"This government can do the job of bringing peace to security," Mr. Netanyahu told me on Wednesday, "and we want to do it." He and Mr. Sharon can deliver now as nobody else on the Israeli scene. Can Mr. Arafat take delivery?

The New York Times.

Look Out for Political and Social Turmoil in East Asia

By Paul Dibb

CANBERRA — Asia's financial crisis is more than just an economic phenomenon. The deeper it gets and the longer it lasts, the greater the chances of political and social turmoil.

It is unclear whether Asia's economic difficulties are short-term and will be resolved after two or three years of painful adjustments, or whether they are systemic and herald permanently lower growth rates.

Serious questions are being asked about the so-called Asian way. The peculiar form of state capitalism has been spectacularly successful in directing human and capital resources and in ruthlessly pursuing export opportunities. But sustained double-digit growth also led to slack financial and banking practices, cronyism, corruption and reckless investments.

The day of reckoning has now arrived. The painful medicine that will have to be taken will result in much lower growth (negative growth in Thailand, Indonesia and South Korea this year), soaring unemployment, failed businesses and abrupt increases in the prices of imported essentials.

True, export prices will effectively halve for some countries, but it is hard to believe that Asia's major export markets are going to stand by and see their domestic industries and balance of trade attacked in this way.

The big question is whether Asia's economic crisis will lead to a global recession. Economic euphoria about Asia was urged on us by economists who gave little or no

attention to the political, social or cultural implications. What is needed now is risk assessments of Asia that factor in noneconomic parameters.

Confidence in the political leadership in several countries has been eroded seriously. Much will depend on how astute leaders are in managing the appropriate economic and social policies during a difficult and unpopular period of change.

In certain countries the close inner circle of business friends and families of the political leadership stand to lose vast fortunes. Pretending that the crisis does not exist, or blaming it on foreign speculators, will only worsen the economic basis for recovery and further undermine leadership credibility.

It remains to be seen whether serious social unrest can be avoided. The loss of lifetime savings, rapidly rising unemployment, living standards eroded by huge increases in prices for imported necessities, and a crushing economic burden for the poorer classes are an inflammable mixture.

We have already seen riots and panic buying in Indonesia, mounting xenophobia in South Korea, and calls for the eviction of guest workers in Thailand. In those Asian societies where there is a complex and fragile ethnic mix the capacity for social explosion is very apparent.

It will be a real test to keep public discontent under control. Nationalism remains a powerful driving force throughout Asia. There are some profound antipathies between neighboring countries that have been restrained by high economic growth rates.

If the current crisis continues to worsen, we will need to consider the effect it could have on relations between South Korea and Japan, North Korea and South Korea, China and Japan, and China and Southeast Asia.

As we enter the new millennium, the ASEAN countries in particular will be more directly exposed to the strategic uncertainties and pressures from the changing balance of power in Northeast Asia and especially from the rise of China to power. They now face the prospect of doing this with-

out the solid economic growth that underpinned both their national confidence and defense purchasing power.

The other fundamental in Asia's security has been the military presence of the United States. As economic uncertainty and the risk of miscalculation increase, a continuing U.S. strategic presence will be all the more important.

But economic turmoil will test U.S. commitment in the region. The much cheaper cost of imports from Asia may produce another wave of protectionist calls from the U.S. Congress.

And every time an Asian leader blames "the West" (read, the United States) for a nation's economic difficulties, the harder it will be for President Bill Clinton to resist such negative responses.

Some of the hubris about the Asian economic miracle needs reassessing.

No doubt the economic fundamentals are there for Asia to return eventually to strong patterns of growth. But the path between the current crisis and the longer-term goal is far from clear. All in all, it seems doubtful now that Asia will become the new locus of world power any time soon.

The writer, head of the Strategic and Defence Studies Centre at The Australian National University, contributed this comment to the *International Herald Tribune*.

Algeria Is Everyone's Problem

By Richard Cohen

WASHINGTON — Some time ago I came across pictures taken in a village after one of Algeria's all too frequent massacres. Villagers had been tossed in a well. One was a young boy, maybe 8 years old. His body was fished from the well and photographed just as it was brought to court level. He had nearly been decapitated.

What could an 8-year-old have done to warrant such a death? What could have been his crime, his ideology, his belief, his threat — and his threat to whom? What explains the murder of a child?

The killing of children is an Algerian staple. In some villages they have been hurled against walls.

So, too, is the killing of women and the aged — and of men, of course. None of these people seem politically involved, nor are they members of the military or the police. Yet they have been murdered by the thousands, often in ways so gruesome as to be incomprehensible.

In the first week of January as many as 1,000 persons were killed in villages about 240 kilometers from Algiers. The savagery is such that you cannot believe that human beings, as opposed to animals, are responsible.

Ever since the army in 1991 abrogated the results of elections that would have installed a Muslim fundamentalist gov-

ernment, Algeria has been bleeding from terrorism. Had the fundamentalists stuck to killing pro-Western figures — journalists and the like — the world, particularly Europe, might have paid lesser attention. But the terror soon moved to the countryside.

By now as many as 100,000 people may have been killed. No one really knows.

And no one outside of Algeria can quite explain what is happening. The slaughter is supposedly being carried out by the Armed Islamic Group. Its goals are not clear. Its victims are not its enemies.

The government decries what is happening, but some of the massacres have taken place suspiciously close to military installations. Why the soldiers remained in the barracks while civilians were being slaughtered is yet another question that lacks an answer. Maybe the government thinks that continued terror justifies its continued military rule.

Whatever the case, Algeria is not some place on the other side of the moon where none of the rules of civilization apply. The mere mention of the term "Islamic fundamentalism" does not mean that the situation is inexplicable.

There has to be a reason for the killings, an explanation of how the killers are able to get

from village to village without being caught. Amnesty International reports two instances last year in which villagers, trying to escape a massacre, were turned back by the army.

The government has told other countries to mind their own business. When France, Algeria's former master, suggested an international investigation (so did the United States), Algeria responded by saying, "Algeria, the sovereign state, renews its categorical rejection of any attempt to interfere in its internal affairs." (The European Union is sending a high-level delegation to Algiers "to listen.")

The massacre of children is not in my book an "internal affair." It would be one thing if there were no suggestion of official complicity in the massacres, but there is.

And even if the charges are baseless (why, after all, would the government condone such hideous killings?), it cannot hurt the government to have a team of international experts look into the situation.

The fact remains that either the government is complicitous or it is simply inept. Europe and the United States have an urgent moral obligation to keep the spotlight on Algeria and demand that something be done. The first step is to recall that boy in the well, his throat a gash of crimson, and not look away.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Social Warfare

NEW YORK — A merry social war is in progress in Washington between the small and early dances, led by Mrs. Henry Cabot Lodge, Mrs. Archibald and Mrs. John Davis on one side and Mrs. Leiter on the other. The quarrel originated in some idle banter or jest, and Mrs. Leiter swore the terrible revenge of giving dances on every night named by the "small and early" dances.

Mrs. Leiter gives lashings of champagne, the small and early only weak claret punch. Under these conditions the first battle last night [Jan. 14] was a decisive victory for Mrs. Leiter. Most of the pretty young girls went to the small and early, but Mrs. Leiter captured all the diplomatic and distinguished visitors in Washington.

1923: German Fight

PARIS — The German Gov-

ernment has taken another step in its economic fight against French occupation of the Ruhr. It has ordered German mine owners not to deliver coal to the French. The French reply to this new maneuver was to order General Degoutte to advance his troops to a new eastern line in order to obtain control of the vast coke industries of this area.

1948: India Payments

NEW DELHI — The Indian cabinet announced that in deference to Mohandas K. Gandhi it would resume payments due to Pakistan under the suspended financial pact in hopes the government action would convince Gandhi to forego his fast. The Indian government announced a plebiscite would be held in the disputed Indian-held state of Jammu and Kashmir whether the inhabitants wanted to join India or Pakistan.

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OPINION/LETTERS

The Best Ambassadors America Has Ever Had

By David S. Broder

WASHINGTON — Credit President Bill Clinton for at least one initiative that has received warm praise in both parties and reflects well on the United States around the world.

In his budget for next year, Mr. Clinton will ask for a substantial increase in funds for the Peace Corps, a legacy of the idealistic 1960s that has taken on fresh significance in this end of the century environment.

The president has announced he will seek a 21 percent boost in Peace Corps funds — \$48 million — as the first stage in increasing the number of Americans in its overseas assignments to 10,000 by the end of the decade. Today, there are roughly 6,600 volunteers working in schools, clinics and nascent businesses and helping on agricultural and environmental projects in 85 countries.

They may be the best ambassadors America has ever had.

John Kennedy launched the Peace Corps in 1961, borrowing the idea from Hubert Humphrey, and in its first years it sent as many as 15,000 young Americans to remote villages in the Third World. But it languished in the go-go 1980s, when barely one-third that many volunteers were in the field at any time.

Today, happily, the supply of would-be Peace Corps workers is increasing at the same time that worldwide demand is on the rise.

Last year, according to its director, Mark Gearan, more than 150,000 people contacted Peace Corps offices inquiring about slots — up 40 percent from 1994.

The end of the Cold War and the spread of democracy in previously authoritarian countries have opened new opportunities and responsibilities for the Peace Corps. This year, it will start programs in the former Soviet republic of Georgia, in Bangladesh and in Mozambique. Last year, at the request of President Nelson Mandela, it began working in South Africa.

This week, a new contingent of 41 volunteers will leave Atlanta for South Africa.

One of those volunteers is Jason Carter, a recent graduate of Duke University and the grandson of former President Jimmy Carter.

The Peace Corps is a Carter family tradition. Jason's great-grandmother, Miss Lillian, served

as a volunteer nurse in India in the late 1960s, when she was well along in years.

Young Carter tells me he asked for an African assignment after seeing the devastation in Liberia on a visit with his grandfather.

"Even if you go to Duke," he said, "or maybe to make up for going to Duke, you want a new way of going out to look at the world. Our culture is stampeding and this may be a way to see what parts you can take at face value and what parts you need to reject."

Mr. Gearan asked for the Peace Corps assignment after carrying lots of water for Mr. Clinton, first as director of the Democratic Governors' Association, then as a 1992 campaign press spokesman and finally as White House communications director during the toughest parts of the first term.

One of the least cynical politicians I have known, Mr. Gearan said: "It was a great honor to work in the White House, but it is really inspiring to be in this job and see the very tangible differences our volunteers are making."

"In Botswana, I was with one of our volunteers, a 64-year-old grandmother who has helped a cooperative of women weavers triple their income in the past year. She's living in a thatched-roof hut filled with drawings by her nine grandchildren."

Mr. Gearan has used his influence with Mr. Clinton to set the Peace Corps on its upward trajectory, but he has had many allies.

"When heads of state and foreign ministers come to Washington, many of them come by here to thank us," he said. "Some of them, in their youth, were taught by Peace Corps volunteers."

The returned volunteers, now numbering 150,000, form a powerful grassroots lobby. On Capitol Hill, the support is bipartisan.

Senator Paul Coverdell, a Georgia Republican who ran the Peace Corps during much of the Bush administration, is enthusiastic about Mr. Clinton's expansion plans.

Support also has come from six other legislators — three Democrats and three Republicans — who were Peace Corps volunteers.

This one is a winner all around.

Washington Post Writers Group.



LETTERS TO THE EDITOR

Defending Switzerland

Regarding "Study Accuses Swiss of Abuse and Bias Against Jewish War-Time Refugees" (Jan. 14):

The accusation that Switzerland abused Jews during World War II — when it was the only European nation that consistently provided them sanctuary — is monstrous.

I arrived as a Jewish refugee in Switzerland in the summer of 1944. At the time Auschwitz and the other extermination camps, all fed by the occupied countries of Europe, were gassing thousands of Jews daily.

My family consisted of 14 people, headed by my 80-year-old grandfather. There were no Jews in Europe who would not have given up everything to be in our place. The Swiss labor camps for Jews then living in Europe.

There I met hundreds of Jewish refugees from all over Europe who owed their lives to the extreme generosity of the Swiss. Yes, everyone had to work, except those like me who were of school age and got an education.

If the Americans and British had displayed the same generosity toward Jews from Germany, Austria and the other occupied nations, the Holocaust would not have claimed 6 million Jewish lives.

Before we continue this orgy of accusation against the behavior of

Happy Europe?

Regarding "The Final Act" (Books, Jan. 7):

The review of "The Final Act: The Road to Waterloo" by Edwin M. Yoder Jr. is astonishing. Mr. Yoder is described as the author of "The Historical Present: Uses and Abuses of the Past." Yet somehow he is able to comment that, following Napoleon's final exile and the restoration of the various royal families displaced by his empire, "Europe lived happily — at least until 1914."

Happily, that is, if you can ignore such trivial details as the Europe-wide revolutions of 1830 and 1848; the Paris Commune; the Crimean War; the Franco-Prussian War; Greece's wars of independence; the unifications of Germany and Italy; the further division of the Austro-Hungarian empire and of the Ottoman empire...

CHARLIE ARTHURSEN, London.

Regarding "Rome Killing Alarms Gay Community" (Jan. 8):

It is baffling how the Vatican can condemn not homosexuality but the practice of homosexual acts. This is sophism. The Vatican is indeed creating a homophobic atmosphere.

HARRY MARINSKY, Pietrasanta, Italy.

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An Ice Storm Reveals Our Network's Frailty

By Jane Urquhart

WELLESLEY, Ontario — I left my home here in southern Ontario at 9 A.M. Saturday in the company of several pickup trucks carrying generators.

They were driven by farmers who were engaged in unofficial rescue missions to aid their counterparts in eastern Ontario and

MEANWHILE

Quebec, who have been particularly hard hit by Ice Storm '98.

My own rescue mission involved the recovery of my 20-year-old daughter and three of her friends from the university town of Kingston, Ontario, 150 miles (240 kilometers) away.

My husband and I had spent the previous few days discussing whether the kids should come home. The storm missed our part of Ontario, but we had seen the television coverage of the twisted electrical towers, fallen trees and interlaced wires and cables that had covered Kingston's once bucolic streets since midweek. As far as we could tell, everything was down except for the phones.

Our daughter had been calling us daily. She and four of her friends had moved into one room hoping that their body heat might cause the indoor temperature to rise. She told us they were passing the cat from lap to lap for warmth.

It wasn't until Saturday morning, when she said there was no water left and few places to go to get more, that we decided we had to act.

More than a million people in Quebec and 800,000 in Ontario were without the essentials of life in a cold climate, one of the worst natural calamities in Canada's history. A state of emergency had been declared; all trains had been canceled. The authorities were asking people to stay off the roads. But I wanted my child out of there.

Highway 401 is one of the busiest in North America. On a normal day, a motorist must fight for space among hundreds of trucks ferrying cargo between Montreal and Toronto. Now it was deserted except for the long convoys of military vehicles heading in to set up shelters and help restore power.

Thirty miles outside of King-

ston I entered a brittle, icy world in which everything had collapsed. Electrical towers had crumpled into oddly human postures. The few trees that had not snapped or split were bent toward the earth as if in despair. Even the outcroppings of limestone were altered, their roughness obliterated by inches of beautiful ice.

Entering the town, I drove through an obstacle course of fallen poles and downed wires, avoiding the streets where the police had put up the most yellow tape. The area around the university was filled with groups of students who wandered through the streets looking for shelter.

The phrase "this is a disaster area" kept running through my mind — until I realized that this really was a disaster area. It was the kind of scene I and many others in this safe, calm country had never expected to see firsthand.

I found my daughter and her friends in the early afternoon, inside their rented house, huddled in sleeping bags. The cat and its owner had already been evacuated. The rest of them retreated, as quickly as possible, to the warmth of my car, leaving behind all those essentials — computers, CD players, curling irons and electric guitars — without a second thought.

As we drove west, leaving the world of ice behind, the evacuees argued about which had been worse, the dark or the cold. We talked about the frail network on which we stake our survival.

We cheered each time we saw a Canadian military convoy heading east, and we cheered again when we saw a fleet of American power company trucks coming up from Detroit to help.

The author's latest novel is "The Underpainter." She contributed this column to The New York Times.

Letters intended for publication should be addressed to "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

THE INTERMARKET

RESIDENTIAL REAL ESTATE

THE INTERMARKET Starts on Page 5

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Feeling Yangish? A Singapore Cure

Eating Your Ailments Away: Good for the Body and Palate

By Patricia Wells
International Herald Tribune

SINGAPORE — As one always eager to learn more about the food-health connection, this opportunity seemed too good to be true: A Chinese herbal doctor takes your pulse, examines the state of your tongue, diagnoses your yin-yang status, and prescribes dinner.

No hoax. After all, this is Singapore, the world's greatest candy store for anyone eager to dabble in the wonders of food, Asian and otherwise. It's all here—North and South Indian, Malay, Indonesian, Korean, Thai, Vietnamese, Japanese, Chinese, the local Nonya cuisine and Western.

But back to the herb doctor. He holds court in a second-floor Chinese restaurant fittingly called Imperial Herbal, around the corner from the famed Raffles Hotel.

The predictable interior is straight out of Chinese Restaurant Decor 101, with large round tables, small alcoves for private dining, and endless pouring of hot tea, in our case the prescribed ginseng-root tea.

The doctor suggested I was a little bit on the yin side, but not so much that a little bit of double-boiled shark's cartilage soup wouldn't cure me. My partner, on the other hand, had too much yang (and was informed he needed more sleep than I, no surprise to either of us). He was prescribed a dish of eggplant and pine nuts to moisturize his lungs, lubricate his intestines, and retard aging.

HEALTHY AND GOOD EATING

But that's enough of the health angle. A single dinner wasn't going to make or break our future, so we dug into our prescribed meal with our normal gusto. Whether or not you're curious about your yin-yang balance, by all means go to Imperial Herbal for the food. It's light, ethereal almost, and most of all, different from just about any sort of Chinese food you know.

Save for the medicinally fragrant soups that were too bitter to be palate pleasing, a series of dishes here were not only invigorating but memorable.

Begin with the quick-fried egg white with dried scallops, served in a shredded-potato nest. I never knew egg whites could be so otherworldly, tasting like delicately flavored clouds in crunchiness. Light potato baskets that seemed to have been deep-fried in air they were so void of fat or grease. A generous dose of black pepper (as prescribed) left one both amazed and satisfied.

Equally impressive was the velvety braised codfish fillet in fermented rice sauce with fresh lily buds. The buds tasted faintly like a mix between Provencal almonds fresh from the tree and moist water chestnuts.

But the finest dish of the day was the braised eggplant with pine nuts, another greaseless dish with a smooth, soft texture and pure, rich eggplant flavor, almost that of the revered wild cape mushroom.

The menu, carefully translated into English, is loaded with curiosities (such as deer-penis wine, deep-fried scorpions

and crunchy black ants), but such traditional fare as beggar's chicken wrapped in lotus leaves, sautéed chili prawns with walnuts, and sautéed flank steak with orange peel should keep the average diner more than content.

A visit to Singapore would not be complete without a visit to the Raffles Hotel for a curry tiffin, where the ever-changing buffet offers something for every palate. The elegant room alone—stark white with black bentwood armchairs, silver vases and brist, white-jacketed waiters—is worth a detour all of its own.

THE HIGH ART OF TIFFIN Tiffin, the traditional Indian lunch or midmorning snack, has long been practiced as high art at Raffles. Begin with the bold and spicy mulligatawny soup, a certified wake-up alarm for the palate. This traditional Indian marriage (from the Tamil word *mulligatawni*, or pepper water) here consists of no less than 29 ingredients, ranging from blue ginger (*galangal*) to cashew nuts to cloves, cassia leaves and lemon juice.

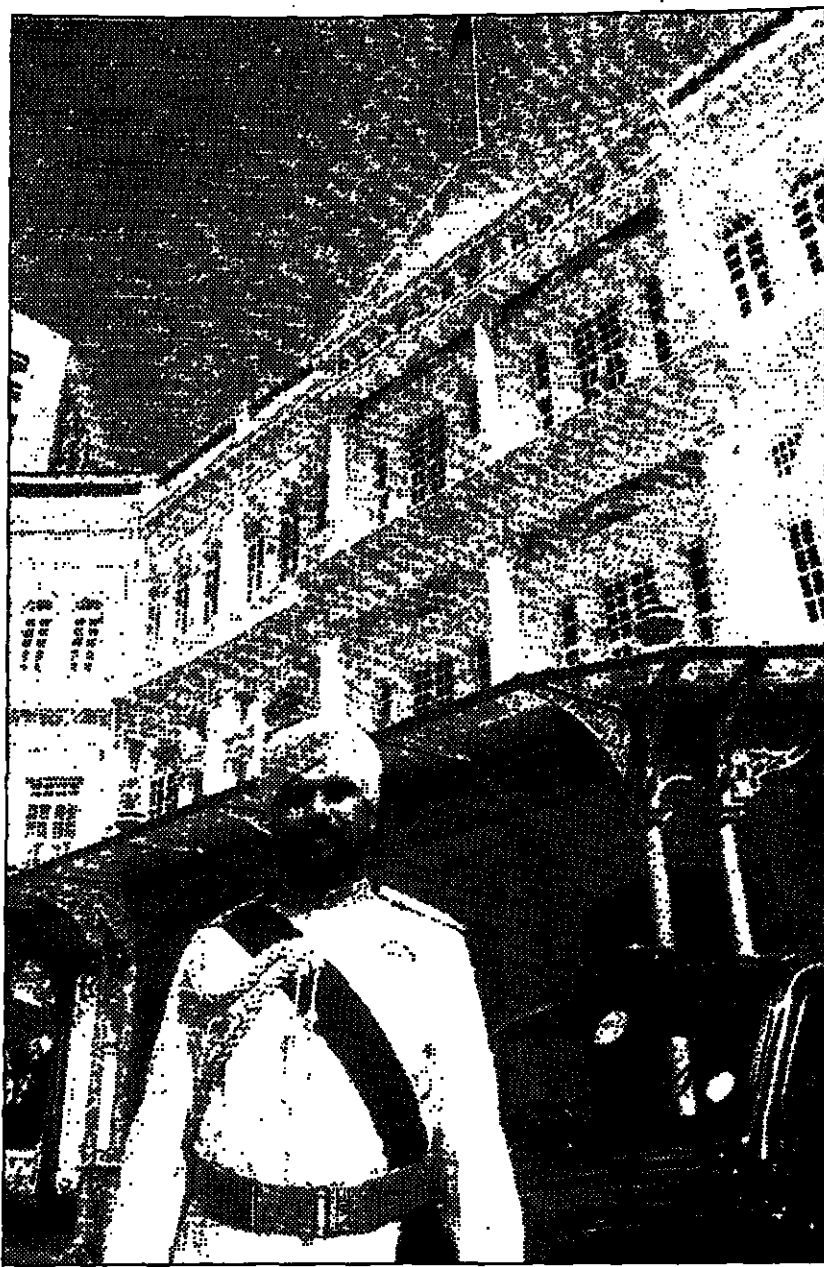
The chicken-based soup, which takes its vibrant ochre-orange color from a generous dose of turmeric and curry powder, cooks for a good three hours at a gentle simmer, making for a stew that is a meal all on its own. The buffet, which may include a quartet of starters, the mulligatawny soup, tandoori prawns, an assortment of fish, chicken, lamb and vegetable curries all accompanied by rice, an assortment of pickles and indescribably fresh, fragrant and delicious mango chutney, will send you to an air-conditioned room for a well-earned afternoon siesta.

Singapore's unofficial national dish is simply called "chicken rice," a deceptively simple Hainanese preparation of extraordinary flavor and one found at dozens of specialty restaurants about town. The locals unanimously discouraged me from visiting the spot that's often touted as the best, the expensive tourist version found at the Chatterbox Restaurant in the Mandarin Hotel.

I opted for the admirably simple, full-flavored version found at the Lee Fun Nam Kee family restaurant along the trendy Clarke Quay. Here, in a bright, spotless, modern restaurant adorned with blond wood, pretty white china, quiet jazz and helpful waiters dressed in pale green uniforms, diners literally feast on this "why-didn't-I-think-of-it" delight.

A WHOLE chicken is poached in a rich, double-boiled poultry stock and hacked into pieces; then rice is cooked in that same double-duty broth. The dish is always served with a ginger and chili sauce to expand the palate of flavors. Flavors are pure and rich and not the least bit bland, and the aroma alone makes one salivate.

Diners vary the dish by dipping the chicken in soy, or ordering the same variation prepared with roasted goose, stewed beef brisket, suckling pig or roasted pork ribs. Do try the irresistible chicken-rice ball, a hardball-size portion of compact rice, formed by hand, with a flavor that's infused with the essence of



The Raffles Hotel, a Singapore landmark, serves a traditional curry tiffin.

the wholesome broth. Other excellent dishes here include bok choy in oyster sauce and the crisp roasted-duck rice.

Unquestionably, some of the most exciting food to be found in Singapore is not in the hallowed dining rooms but at the hundreds upon hundreds of hawkers' stalls, roadside restaurants and moon-and-pop establishments scattered throughout the metropolis. In this food-obsessed world, Singapore is a veritable food lover's paradise, for any cuisine is available at any time of the day.

As Raffles's executive assistant manager, M.P.S. Puri, explained over dim sum one morning: "The world is into eatertainment now. People are looking for drama. Food is no longer what brings people to a restaurant."

Day or night one can drop in at the scruffy looking, always busy Garden Seafood Restaurant, which is little more than a few plastic tables on the sidewalk, where customers help themselves to the dozens of fresh, delectable dim sum offerings stacked at the counter.

One of the freshest and most memorable meals in Singapore included a 7 A.M. breakfast at Le Garden, where restorative bites of giant shrimp wrapped in delicately thin rice paper and carefully steamed were paired with rich, steaming puff-pastry-style buns filled with plum sauce: tastes to warm the heart and tide one over until lunchtime.

Equally curious, equally savory are the morning snacks found at the Komala Vilas, where the array of eat-with-your-fingers Indian vegetarian crepes, or *dosa*, offer a distinct change from a Western breakfast. Here one can feast on some 15 varieties of *dosa*—prepared with a fermented batter of ground beans and rice—cooked on stone griddles.

Fillings might include fiery spiced potatoes, green chilies and ginger, or curmin and pepper flakes.

Fabulous, inexpensive south Indian fare can also be found at the wildly popular Banana Leaf Apollo, so named because banana leaves are substituted for plates, and though forks and spoons are provided, most diners eat with their right hand, cupping bits of rice along with the fiery curries. Don't miss the fish-head curry (the head of the red snapper cooked in a spicy curry sauce).

Typical of many Singapore restaurants, this one began as a hawker's stand, and grew into a multistorey cafeteria-style restaurant in just a generation.

All prices are per person, not including beverage.

Imperial Herbal Restaurant, 3d floor, Metropole Hotel, 41 Shea Street, Singapore; tel: (65) 337-0491; fax: 339-5273; 50 Singapore dollars (\$28). Reservations recommended.

Raffles Hotel, 1 Beach Road; tel: 337-1886; fax: 339-7650; 50 Singapore dollars.

Lee Fun Nam Kee, Chicken Rice Restaurant, 3D River Valley Road, 01-09 Shophouse Row, Clarke Quay; tel: 255-0891; fax: 255-7833; 15 Singapore dollars.

Le Garden Seafood Restaurant (open 24 hours daily), 275 New Bridge Road; tel: 223-3888; fax: 223-0822; 5 to 10 Singapore dollars.

Komala Vilas, 12-14 Buffalo Road; tel: 293-6980; fax: 293-9385; 5 Singapore dollars.

Banana Leaf Apollo, 54-56-58 Race Course Road; tel: 293-8682; fax: 293-1381; 15 Singapore dollars.

This is the first in a series of articles. Next week: Shanghai.

A Rainbow of Life In Diverse Trinidad

By Somini Sengupta
New York Times Service

PORT OF SPAIN, Trinidad — The panic set in when I saw him stuff the fourth book of bird pictures into his backpack. My partner, Joe, and I were setting off for a long-awaited vacation in Trinidad. And in terror, I pictured us traipsing through the island in checkered shorts and black nylon knee socks all week long, binoculars dangling from our necks, looking a bit like Mr. and Mrs. Thurston Howell 3d on "Gilligan's Island."

I tried not to let the panic show. Joe loves birds. And I—well, let's just say I find all those feathers and beaks a bit redundant after a while.

Thankfully, when we flew there in late September, Trinidad itself turned both our heads. Eleven degrees north of the Equator, the island is home to some 420 recorded species of birds, 620 varieties of butterflies and dank, hilly rain forests, where trees grow upon gnarled trunks and the sharp-beaked ibis become scarier from a diet of shrimp and crab in the mangrove swamp.

The island's social ecosystem turned out to be as rich, because Trinidad—home of calypso and roti, birthplace of the historian C.L.R. James and the writer V.S. Naipaul—was once one of the most intensely colonized places on earth. The Spanish, who conquered it in 1498, were followed by the French, who were followed by the British, who ruled until independence in 1962.

Trinidad is easy to explore for visitors who are willing to rent a car, keeping to the left, as you must in many of the former British colonies—and rely on their instincts. Trinidad has few road signs and even fewer tourist information offices. That suited us just fine. With a battered maroon Nissan—weekly rentals range from \$250 to \$300—we set off on day trips to explore the nature and nurture of Trinidad.

One afternoon we drove to Maracas Bay—Trinidad's most popular beach on the north coast, about an hour from Port of Spain in good weather—it was raining, which made our drive through the rain forest all the more ominous. Cars and jeeps came whizzing down the winding, mountainous two-lane highway. To our left, vultures hovered over a valley. Smoke rose from a ramshackle house, perched above a hill terrace with glistening rows of dasheen and squat banana trees. Fire-red ginger blossoms, the kind one sees in fancy Manhattan hotel lobbies, poked improbably out of the cliffs.

The beach was mostly empty when we arrived, save several birds making a merry noise. Joe jumped out of the car with binoculars in hand, looked this way and that and happily announced his findings—among them the greater and lesser yellowlegs feeding on the slushy sand, a row of gray-breasted martins resting on a power line.

FOR me, Maracas had another attraction: It was reputed to be the best shark-and-bake, a deep-fried shark sandwich served with *shadobene*, a tangy sauce of local herbs. Because the sandwiches are so tasty and so much in demand, shark is becoming perilously scarce in the waters around Trinidad.

One morning, we set off to explore Pointe-a-Pierre Wild Fowl Trust, a bird sanctuary about two hours south of Port of Spain.

At the top of the hill, a peacock stood

sentry just beyond the parking lot of the Wild Fowl Trust, a yellow-billed jacana was resting on a lily pad, and Marilyn Hinkson, the tour guide, was explaining the virtues of local flora to a tour group. The bark of this soursop tree, she said as she pointed, can cure sleeplessness. Leaves from that mango tree relieve stress. The black sage bush works as mosquito repellent and is said to be good for high blood pressure, too.

The wildlife reserve, developed on the grounds of the industrial complex, is a rich collection of crepe myrtle and florid flamboyants, fulvous ducks and Muscovies, and fragile endangered birds, like the shy purple gallinules and the garish toucans.

NATURE CENTER Trinidad's most famous bird sanctuary, the Asa Wright Nature Center, is on a coffee and citrus plantation about two hours northeast of Port of Spain. The plantation house, now a lodge, is carefully preserved. The day we were there, women in peach-colored uniforms served afternoon tea and sausage biscuits on the veranda at 4 P.M. as the guests peered out at the copper-rumped and the blue-chinned sapphire hummingbirds sipping from bird feeders nearby. We spotted many tanagers, a flurry of butterflies and even the introverted motmot.

Only those who stay at the big house for a minimum of three days are allowed into the covered caves of the oilbirds, the endangered nocturnal fruit eaters (there are only about 120 left in the caves, said Denise Etienne, our guide).



A purple honeycreeper.

The nature center also offers daily tours. But take note: Everything at Asa Wright follows an unbending schedule. We arrived 15 minutes late, and a security guard made sure we ventured no farther than the veranda.

The next day at James Madoo's bamboo and palm cabana off the Uriah Butler Highway, a half hour south of the city, we had no appointment. But with a smile, Madoo, to whom we went for a glimpse of Trinidad's national bird, the scarlet ibis, waved us over and offered aperitifs: glasses of whiskey, plums and a spoonful of sweet, fleshy jelly scooped from a freshly hacked coconut.

As the sky turned amber, we piled into Madoo's green wooden motorboat to see the ibis making its nightly descent into the swamp. We sailed slowly up the channel and into an open lagoon studded with small islands of mangrove. The first ibis was spotted, a streak of fire across the sky. A white heron followed.

Then, Madoo pulled our boat over to a bank and pointed to an island up ahead—their nesting spot. Within minutes they arrived—alone, in pairs and then in glorious packs, painting the sky scarlet and settling into the bush, crowing noisily among themselves.

MOVIE GUIDE

LE SEPTIEME CIEL

Directed by Benoit Jacquot. France. Mathilde (Sandrine Kiberlain) moves about her vast apartment as if she doesn't really live there or—for that matter—inhabit her body. Nico (Vincent Lindon), her surgeon husband, gives her anti-depressants and makes love as if he were operating blindly. But Mathilde can get no satisfaction: to escape, she goes shopping and sneaks into her pocket, reads stories to her son and falls asleep. She is remote, a sleepwalker who only comes to life in the hands of a magician-like hypnotist. Once she awakens and responds sensually to Nico, he backs away from her. Jacquot's precise mise-en-scène skirts a melancholy subject—incapacity to communicate, to enjoy love—with elegance and wit. But we're not exactly watching Katharine Hepburn and Cary Grant trade barbs. This couple lives in stifling aridity; they rarely talk or touch, make love with the lights off, and never tease because the atmosphere is fraught with repression. Kiberlain makes a fetching Mathilde, true to a dreamy, ineffable self, a wife and mother who lives away from home, in another space. Even when she gives up toys and gets into her body there is no promise that the seventh heaven, *le septieme ciel*, she discovers is going to hold her down. Lindon, who has grown out of his *jeune premier* look into something heavier, has remarkable density as mournful Nico. While Jacquot's social comedy touches on all sorts of modern themes, it may not get a lot of laughs or give satisfaction. (Joan Dupont, IHT)

THE POSTMAN

Directed by Kevin Costner. U.S. Kevin Costner falls head over heels in love with himself in "The Postman," an unintentionally funny valentine, self-addressed and no doubt sealed

with a kiss. His first directorial outing since "Dances With Wolves," this three-hour, post-apocalyptic clunker would be a half-hour shorter without Costner's close-ups of his own horizon-scanning mug. Set in the year 2013, in the ruins of America's consumer society—a hodgepodge of faded Coppertone billboards and tilted Union 76 globes—the film recalls "The Road Warrior," "Waterworld," "Johnny" and, last but not least, 1953's "Pony Express." Still, it's basically a western tarted up in togs from an after-Armageddon clearance sale, and Costner's Postman is the drifter obliged to bring order to a frontier town terrorized by outlaws. The frontier is in chaos, bandit hordes rape and pillage at will, and an army under the command of a former copy-machine salesman turned despot, General Bethlehem (Will Patton), regularly demands tribute and conscripts from helpless villages. Costner's Postman is shanghaied into Bethlehem's army, suffers through multiple screenings of "The Sound of Music" (no kidding), escapes, then comes upon an old mail truck. Inside he finds a ragged uniform and a bag of letters. He decides to scam meals by delivering the mail, but before he's through, he brings a sense of hope and order to the people. He visits the village of Pine View, Oregon, claiming to be a real-life postman—part of the "Restored United States of America." His uniform attracts the attention of the fetching Abby (Olivia Williams), a married woman with a sterile husband who sizes up the postman as just the right drifter to father her child. The reluctant sperm donor becomes a role model and ultimately redeemer of what's left of America. "You're a godsend, a savior," proclaims one. "No, I'm just the postman," Costner responds, with the humility and solemnity of a medieval saint. (Rita Kempley, WP)

THE CAR COLUMN

Mercedes Clicks With CLK Sports Coupe

By Gavin Green

WHEN Mercedes bosses swapped "Happy New Year" greetings on their first day back at work in 1998, they must really have meant it. After all, 1997 had not been one of the greatest for the company.

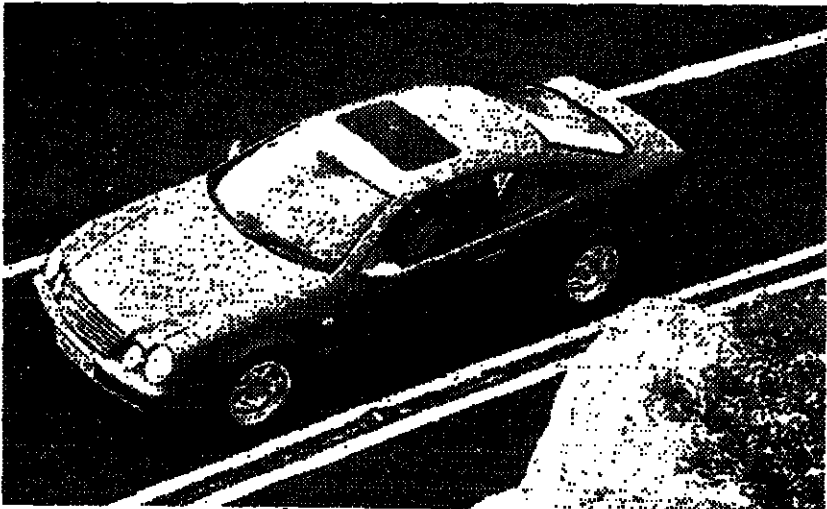
Mercedes was forced to cancel a new engine program, when it discovered—after a few hundred million dollars—that the new motor was no better than the old one. Worst of all for the company's reputation, the new small A-class, billed as the single biggest motoring revolution of 1997, turned out to fulfill its billing all too literally. It overturned in an around-the-cones slalom test performed by a motoring magazine. Production was halted, cars were recalled, and Mercedes' reputation for engineering excellence looked rather misplaced.

As a final sting in 1997's tail, production of the new baby Smart car was delayed after it too flipped in a slalom test—right in front of Daimler-Benz's chairman, Juergen Schrempf. It was not the sort of Christmas present that Schrempf had been hoping for.

ALSO AN UPSIDE

But, amid the gloom, there were a few reasons for the three-pointed star to sparkle in 1997. The new M-class 4x4 hit the U.S. market to a huge order book and has just won the American Truck of the Year award. And the CLK sports coupe has also been a big sales success, and has proved that Mercedes can build coupes that can do more than make aging men feel young and cart around their golf clubs.

Benz coupes, in the past, have been



big on status but light on sportiness. They have been no faster and no more nimble than their sedan equivalents; coupe cruisers that go well enough, last forever, are comfortable, but have about as much driving appeal as a mobile home. There's nothing wrong with this policy. But it has allowed its archrival, BMW, to dominate the much bigger, more prestigious and faster-growing sports coupe market.

The CLK is cheaper. It looks a bit like a two-door version of the new E-class sedan, and indeed replaces the graceful and genteel old B-class coupe. Yet it is mechanically based on the smaller C-class. This helps reduce costs and it's one reason that, by Mercedes's standards, the CLK is surprisingly affordable. There's a range of engines, including a new V6. The test car used a supercharged "Kompressor" 2.3-liter four-cylinder motor, also available on the C-class sedan and the SLK roadster

(also based on the C-class platform). There's a six-speed manual transmission on offer but, as with all Benzes, most buyers go for the five-speed automatic, as tested.

The CLK looks fabulous. It looks low and sleeky and sporty and classy, a car that could just as easily transport those wearing a three-piece suit as designer jeans.

Whereas, by Mercedes's standards, the C-class sedan feels a bit cheap and fragile, a sign of the company economizing to try to compete harder with lower-cost Japanese and American makers, the CLK feels, and looks, stronger. The doors shut with that old-fashioned Mercedes "clunk" and the whole cabin is beautifully conceived and executed, including the white-faced instruments.

The front is very roomy, and the rear is big enough for a couple of adults too. The only back-bench bitch is that things

feel rather claustrophobic, owing to the massive rear pillars, which also restrict over-the-shoulder visibility. The trunk is very large and the rear seats can fold forward, which just about turns your sports coupe into a sports van, so large is the carrying capacity.

The car tracks beautifully straight on freeways (all Mercedeses do). The supercharged engine gives great performance and is complemented by the sweet-shifting transmission. It's a rather gruff, aurally hard-edged motor, though, and one that lacks the sweetness and smoothness of a BMW straight-six engine.

The CLK handles tidily and pleasingly, doesn't roll much, and can stay with any two-door BMW on the twisty bits. But it still doesn't serve up quite the razor-sharp interaction of the best sports coupes.

SO we're left with a desirable, good-value, beautifully made two-door car that goes fast and handles well, but doesn't deliver quite the thrills that its fetchingly sporty shape suggests. Nonetheless, more younger folk will still buy it, and enjoy it. And those older, affluent people who have long constituted the bulk of Mercedes coupe buyers, won't find much to surprise them.

Mercedes-Benz CLK. About \$50,000. Four-cylinder, 2295cc, supercharged engine, 190bhp at 5,300 rpm. Five-speed automatic transmission, rear-wheel drive. Top speed: 225 kph (140 mph). Acceleration: 0-100 kph in 8.4 seconds. Average fuel consumption: 10.3 liters/100 kilometers.

Next: The Jaguar XJ8

Gavin Green is the editor in chief of Car magazine.

LEISURE

What Fliers Would Like — and Get

By Roger Collis
International Herald Tribune

ALARGE majority of business travelers are happy to use no-frills airlines on short-haul routes; almost three-quarters believe that global airline alliances and code-sharing (designed for airlines' not for travelers' convenience) are beneficial to passengers. And while nearly everyone can access the Internet, less than 10 percent of travelers make on-line bookings.

These are some findings from the International Air Transport Association Corporate Air Travel Survey 1997. The survey reflects the views of 1,037 business travelers in North America, Europe and Asia who had completed at least one long-haul business trip in the last six months. It covers a multitude of issues — from choice of airline for short- and long-haul flights and frequent-flyer programs to corporate travel policies and in-flight entertainment. Interviews were conducted in 11 countries during September and October.

Travelers expect to travel even more this year — 16.7 percent of respondents expect a "significant" and 30.5 percent a "slight" increase in the next few months, while 44.6 percent expect to travel "about the same" as last year, which saw a nearly 50 percent increase over the year before.

THE COMFORT FACTOR Competitive fares are one of the most important aspects of both short-haul and long-haul trips. Demand for economy class and discounted tickets seems to be growing. When asked about features that differentiate business class from economy on short-haul flights, comfort was the top issue. Seventy percent of respondents were "willing" to use no-frills airlines on short-haul routes, of whom 50 percent — the most frequent travelers who made 16 or more long-haul trips a year — were "very willing."

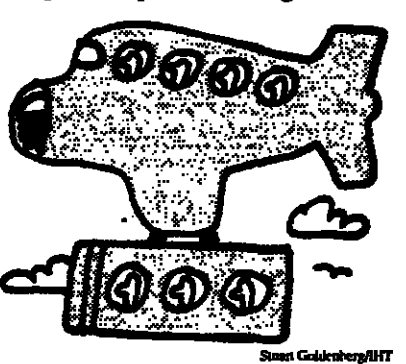
Convenient schedules (23 percent), reputation for safety (13 percent) and service (16 percent) are the most important factors in choosing an airline — with frequent-flyer programs trailing at five percent. Predictably, on short-haul trips, punctuality (64.8 percent), convenient schedule (52.3 percent) and "competitive fares" (37 percent) are followed by "comfort of seat/legroom" (33 percent), frequent-flyer programs (10.2 percent), in-flight food (7.6 percent) and airport lounges (7 percent). When it comes to long-haul flights, comfort and legroom (63 percent), convenient schedules (42.6 percent), convenient service (38.4 percent), airline service (33.8 percent), in-flight food (14.9 percent) and in-flight entertainment (10.3

percent) in spite of the airline ads in glossy magazines. Only 10 percent of business travelers use in-flight computer modems or power connections.

"Travelers say they prefer business facilities over in-flight entertainment," says Angelique Kriplani, who worked on the survey at IATA in London. "But when we asked how many actually used business facilities, the answer was very low. There's no interest in gambling or

The Frequent Traveler

catalogue shopping. I would say that airline ads are missing the lifestyle." Most business travelers (87 percent) are members of a frequent-flyer program (18 percent belonging to five or more) which often influences their choice of airline for a particular trip — "always" (30.8 percent), "often" (32.2 percent) and "occasionally" (12.8 percent) in contrast to the low score of FFPs as "important aspects of the long-haul business product." (Which goes to show that what people say is often different from what they do.) A growing number of travelers (16 percent) use miles for business travel (up from 7 percent in 1996), 70 percent of miles go for leisure travel, 10 percent for upgrades and two percent for hotel stays; 29 percent of travelers have never redeemed their miles.



The survey is available for £99/\$155 from IATA, (44-181) 607 6259.

Class-conscious travelers will welcome the 1998 edition of "A Question of Class" published by Hogg Robinson Travel in London. The 90-page handbook survey facilities and services both in the air and on the ground of 31 airlines operating out of Britain.

Here is all you wanted to know (or were too bored to ask) about the arcane world of seat pitches, angles of recline, sleep-seats, electronic footrests, executive lavatories, baggage allowances, priority boarding, priority luggage-handling, amenity kits, in-flight cuisine and entertainment, satellite phone links, galley closets, aircraft seating plans,

check-in times and limo transfers for premium passengers, airport lounges around the world, along with crucial facilities at 18 British airports.

Available from Hogg Robinson Travel, tel: (44-1252) 372-000.

Despite the fact that the currency turmoil in Asia provides some opportunities for cheap tickets, a sure-fire prediction for 1998 is that the cost of business travel will continue to rise — by 10 percent or more compared with 1997. Airlines are enjoying a seller's market as growing demand for seats matches capacity for the first time in a decade. Industry analysts predict that passenger numbers will continue to grow at a faster rate than available seats, so deals and discounts will be harder to come by.

Virgin Atlantic, for example, claims to have load factors of more than 80 percent, especially on business routes like London-New York and London-Los Angeles. "Upper Class [business class] to Los Angeles costs \$4,000 [about \$6,440] return," says Paul Moore, a spokesman at Virgin Atlantic in London. "But we will fill those seats. The price reflects more people traveling and booming economies, relatively speaking, in the United States and Britain."

STRONG DEMAND Kyle Davis, vice president, purchasing management, at American Express in Paris, says: "Fares are rising much faster than inflation — more than 30 percent in the U.S. in the last two years. Western European business fares had their highest increase in over two years in 1997 — up 20 percent on the year, with the highest increases in Britain. This reflects strong demand especially for long-haul travel to most destinations. More people are traveling farther. You can expect business fares to rise by 6 to 7 percent in 1998."

Hotel rates are also rising everywhere. In North America, published rates of deluxe hotels rose by 21 percent last year; in Central and South America, they rose by 12 and 14 percent, respectively; in Western Europe by 6 percent and by 8 percent in Asia. Tourist hotel rates in North America rose by 37 percent and by 12 percent in Western Europe. As many business travelers trade down from deluxe to tourist hotels, they may find it harder to find rooms at discounted prices.

Crowded planes, crowded hotels, crowded schedules. This is what we can expect in 1998. The challenge will be how to travel smarter. Productivity is the key: getting the most from your travel budget and making the most of information technology by doing the job back at the office while you're on the road.



GOOD TRAVEL DEALS

| GETTING THERE | | |
|-----------------------------|--------------------------|---|
| ALL NIPPON AIRWAYS | France to Australia | Round-trip fare from Paris to Sydney or Brisbane for 8,000 francs (\$1,335). Until March 31. |
| ALL NIPPON AIRWAYS | France to Japan | Round-trip economy ticket from Paris to Tokyo allows free onward connections to Osaka, Fukuoka, Nagoya or Okinawa. Plus savings of almost 50 percent on certain domestic flights. Examples: A Tokyo-Kagoshima round-trip costs 1,500 francs (\$250) instead of 2,477 francs (\$438.40); Tokyo/Osaka-Sapporo costs 800 francs. Until March 31. |
| DRAGONAIR | Hong Kong to Japan | "Winter Package" for 5,900 Hong Kong dollars (\$760) includes round-trip ticket to Sendai, three nights at Hotel Sunroute Zao with breakfast, airport transfers and travel insurance. Until March 31. |
| QANTAS | Britain to Australia | Round-trip London to Sydney, Brisbane, Adelaide, Cairns, Melbourne for £667 (\$1,080). Minimum stay seven days, maximum one year. One stop-over allowed in each direction. For departures between April 16 and June 30. TravelMood (44-171) 258-0290. |
| ROYAL BRITISH | Britain to Asia | Round-trip £418 (\$677) from London Heathrow to Bangkok, Kuala Lumpur, Singapore, Denpasar, Jakarta, Hong Kong, Osaka or Manila. No minimum stay; maximum stay six months. Until April 3 and from April 19 to June 15. Trailfinders (44-171) 938-3939. |
| VIRGIN ATLANTIC | Britain to United States | Round-Trip "Megasaver" fares from London to New York-Newark and Boston from £189 (\$305), to New York-JFK and Washington from £209, Los Angeles from £288, San Francisco from £289, Miami from £293. All taxes included. Bookings must be made by Jan. 29. |
| VIRGIN ATLANTIC | Britain to South Africa | Round-trip fare from London to Johannesburg for £496 (\$805) including taxes. For departure before Jan. 29. |
| WHERE TO STAY | | |
| DELTA-CENTURY HOTELS | Asia-Pacific | "Winter Sale" offers discounts of up to 50 percent on normal rates for single rooms. Examples: Century Hong Kong Hotel, \$99; Delta Grand Pacific Hotel, Bangkok, \$68; Bayview Park Hotel, Manila, \$79. Until March 15. |
| HOLIDAY INN | Europe | "Winter Special" weekend rates at 240 properties from \$54 per room per night includes breakfast for two. Until Jan. 31. |
| HYATT HOTELS | Worldwide | "Great Deal" promotion offers savings of up to 45 percent on published rates at 53 hotels in Asia-Pacific, Europe, South Africa, Middle East and South America. Until Feb. 28. |
| MARCO POLO | Hong Kong | "Winter Saver" rate for 1,350 Hong Kong dollars (\$175) single and 1,450 double in "deluxe" room. Until March 31. |
| MERIDIEN HOTELS | Worldwide | Winter promotion offers up to 50 percent off published rates at 113 properties in Europe, Middle East, Africa, India, North America and Asia. Until March 31. |
| RENAISSANCE HOTEL | Hong Kong | "Winter Interlude" rate of 1,440 Hong Kong dollars (\$185). Until Jan. 31. |
| SHERATON HOTELS | Europe and Israel | "Hot Winter Rates" discounts at 22 hotels and resorts. Examples: Single or double at the Sheraton Nevsky Palace in St. Petersburg for \$165; the Palace in Madrid, 25,000 pesetas (\$162); Hotel Bristol in Vienna, 1,220 schillings (\$95); the Four Points Paradise Jerusalem, \$81 single, \$98 double. Until Feb. 28. |

Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

ARTS GUIDE

BRITAIN

LONDON
National Gallery, tel: (171) 747-2888, open daily. To March 15: "Requiem for a King." Celebrates the 15th-century Flemish artist as a pioneering painter of landscapes and religious scenes. Whitechapel Art Gallery, tel: (171) 522-7878, closed Mondays. To March 15: "Thomas Schutte." The selection of works by the German artist (born 1954), concentrates on two aspects: the figure and architectural models. While his models fuse the quotidian with the utopian, his figures borrow from the caricature and the grotesque.

FRANCE

PARIS
Fondation Dina Vierny, Musée Matisse, tel: 01-42-22-59-58.

closed Tuesdays. To March 10: "Le Musée d'Orsay de la Sculpture." More than 50 paintings by the Swiss painter (1865-1925) that depict the female body intimately, sometimes even crudely. Grand Palais, tel: 01-44-13-17, closed Tuesdays. Continuing To Jan. 28: "Georges de La Tour, 1630-1692." Hotel de Sully, tel: 01-42-74-47-75, closed Mondays. To March 22: "Dorothea Lange." Documents a career — the works span the years 1915-1995 — characterized by a strong interest in human beings and social commitment. Features portraits, documentary works, and war and travel photographs.

GERMANY

HAMBURG
Deichtorhallen, tel: (40) 32-10-30, closed Mondays. Continuing To Feb. 1: "Francis Picabia: Das Spätwerk, 1933-1953." Late paint-

ings and drawings by the French artist (1879-1953).

JAPAN

OSAKA
Osaka Municipal Museum of Art, tel: (6) 771-4874. To March 22: "Angkor Wat and 10 Centuries of Khmer Art." Beginning in the 8th century and continuing for more than 1,000 years, Cambodian artists created monumental gods, guardians, female dancers and legendary creatures in sandstone as well as bronzes for rituals and ceremonies. The works embrace both Buddhist and Hindu traditions.

UNITED STATES

NEW YORK
Guggenheim Museum, tel: (212) 423-3840, closed Thursdays. To May 3: "After Mountains and Sea: Frankenthaler 1956-1959." Works created by the American Abstract

Expressionist artist (born 1928) in the early years of her career. The works address issues of formalism and evoke dream-like images. Pierpont Morgan Library, tel: (212) 885-0008, closed Mondays and holidays. To May 3: "To Observe and Imagine: British Drawings and Watercolors." Beginning with the early 17th century, the exhibition offers 140 drawings and watercolors by Fuseli, William Blake, Turner, John Constable and the Pre-Raphaelites.

WASHINGTON
Corcoran Gallery of Art, tel: (202) 638-1703, closed Tuesdays. To March 9: "Nancy Churn: Front Pages 1968." Churn immersed herself in world affairs as presented by The New York Times. The result is a series of 366 drawings-on-newsprint that reflect the artist's responses to the year's events.

CLOSING SOON

Jan. 18: "Herb Ritts: Work." KunstHausWien, Vienna.
Jan. 18: "Land of the Bible." Kunsthistorisches Museum, Vienna.
Jan. 18: "Paris et les Parisiens au Temps du Roi Soleil." Musée Carnavalet, Paris.
Jan. 18: "La Collection Havermeier. Quand l'Amérique Découvrit l'Impressionisme." Musée d'Orsay, Paris.
Jan. 18: "Charles Camoin: Retrospective, 1879-1965." Musée Cantini, Marseille.
Jan. 18: "The School of The Hague: A Retrospective." Kunsthal, Rotterdam.
Jan. 18: "Arte Americana 1975-1995 del Whitney Museum." Castello Di Rivoli-Museo d'Arte Contemporanea, Turin, Italy.
Jan. 18: "Hogarth's 'Marrage a la Mode.'" National Gallery, London.
Jan. 18: "Carl and Karin Larsson: Creators of the Swedish Style." Victoria & Albert Museum, London.
Jan. 18: "Keith Haring." Art Gallery of Ontario, Toronto.
Jan. 18: "A Grand Design: The Art of the Victoria and Albert Museum." Museum of Art, Baltimore.
Jan. 18: "Monet and the Mediterranean." Brooklyn Museum, New York.
Jan. 18: "Arnold Böcklin, Giorgio de Chirico, Max Ernst: Eine Reise ins Ungewisse." Kunsthau, Zurich.
Jan. 19: "Pajou, Sculpteur du Roi." Louvre, Paris.
Jan. 20: "Henri Matisse: L'Orientation d'est Vers de l'Orient." Capitoline Museum, Piazza del Campidoglio, Rome.
Jan. 20: "On the Edge: Contemporary Art from the Werner and Elaine Dannheisser Collection." Museum of Modern Art, New York.

BOOKS

SHADOWS ON THE HUDSON

By Isaac Bashevis Singer.
Translated by Joseph Sherman. 548 pages. \$28.
Farrar, Straus & Giroux.

Reviewed by Richard Bernstein

GIVEN the enormous output of Isaac Bashevis Singer, the dozen or so novels, the short-story collections, the various works for children and the two volumes of recollections, it comes as something of a surprise that there remained a full-length novel until now untranslated and unpublished in English. But "Shadows on the Hudson," which was serialized in its original Yiddish in The Jewish Daily Forward 40 years ago, is surprising not only for that reason. One tends to think of posthumously published works as mainly of historic interest, brought out for the sake of completeness, and this would certainly be justified in the case of Singer, who won the Nobel Prize for Literature in 1978.

But this book, translated by Joseph Sherman with skillful editing by Jane Bobko and Robert Giroux, is a significant event, a major addition to the English-language Singer oeuvre. It is a startling, piercing work of fiction, a book with a strong claim to being Singer's masterpiece. "Shadows on the Hudson" is darker than just about any of Singer's other works, more heavily freighted with bitter-

ness and anguish. Despite many passages of caustic humor, this novel is Singer speaking in an unfamiliar raw and brutal voice, the grand-fatherly Yiddish writer stripped of the kindly, gentle tone and the flights of supernatural fantasy that we mostly know him by.

"Shadows on the Hudson" in this sense is a kind of vastly expanded, more tragic, almost grotesque version of "Enemies, a Love Story," about a man careering desperately among three women.

But the new book's claim on the status of masterpiece stems from its largeness, the depth and complexity of its extraordinarily vivid, intelligent characters and from Singer's Dostoyevskian skill at weaving into a seamless tapestry various disorderly responses to the savagery of life. The great Russian wrote in "The Brothers Karamazov" that "God sets us nothing but riddles." The characters in "Shadows on the Hudson" spend the two years of the novel's span in a boisterous examination of those riddles. The book's publication not quite seven years after Singer's death in 1991 was slow for several reasons: its length, the publisher's difficulties in translating it and Singer's own failure during his lifetime to get to the revisions he usually made on his original Yiddish manuscripts.

It tells the stories of half a dozen or so major characters and a somewhat larger number of minor ones, the sons and daughters of rabbis and scholars from the old country,

all of whom have made homes in New York in the years just after World War II. Unlike other Singer characters, most of the figures in "Shadows on the Hudson" are well off, living in material comfort in fine apartments on the West Side of New York. But each of them also lives in the penumbra of grief and spiritual turmoil brought about by the Holocaust (a word that does not appear).

By the end of Singer's book, the reader has been presented with just about every conceivable response to unmerited tragic fate: the professor who desperately seeks to contact his murdered wife via a medium; the painter who finds revelation in the

New Testament (a book that he believes only the Jews, and certainly not the Christians, capable of understanding); the stockbroker who seeks a bitter sort of solace in money and sex; the wealthy man of religious orthodoxy whose fierce devotion to God leaves no room for compassion.

We meet most of the main figures in Singer's story at a dinner party at the Upper West Side apartment of Boris Makaver, a wealthy real-estate investor from Warsaw, who is almost the sole observant Jew in his crowd.

Among the guests are Boris's attractive daughter, Anna; her unattractive husband, Stanislaw Luria, and a man named Hertz David Grein, who "looked like a yeshiva boy from Scandinavia." Grein was once a mathematician and chess prodigy in the old country and has learned how to make money in mutual funds in America. Still offstage at this point is Anna's first husband, a comedian named Yasha Kotik, a twisted, all-too-human figure who makes a show-stealing appearance later on.

As Singer's book unfolds, we follow each of these characters on their troubled and yet acutely comedic journey through modern times. Reading through these two years in the lives of Singer's characters is a shattering, transforming experience. It is not, it should be added, a

heavy experience or a lugubrious one. The inhabitants of Singer's world are far too outside in emotion and opinion for that.

Singer's uncanny knack for evoking a kind of raucous human comedy around the most serious moral and intellectual questions has never been on better display, in a book whose narrative momentum is unstoppable from the very first pages. There is no escape in this world, no matter how furiously its denizens may strive for solace and redemption. Nobody averts the fatal combination of the tragedy that comes from without with the one that is forged deep within the soul.

BRIDGE

By Alan Truscott

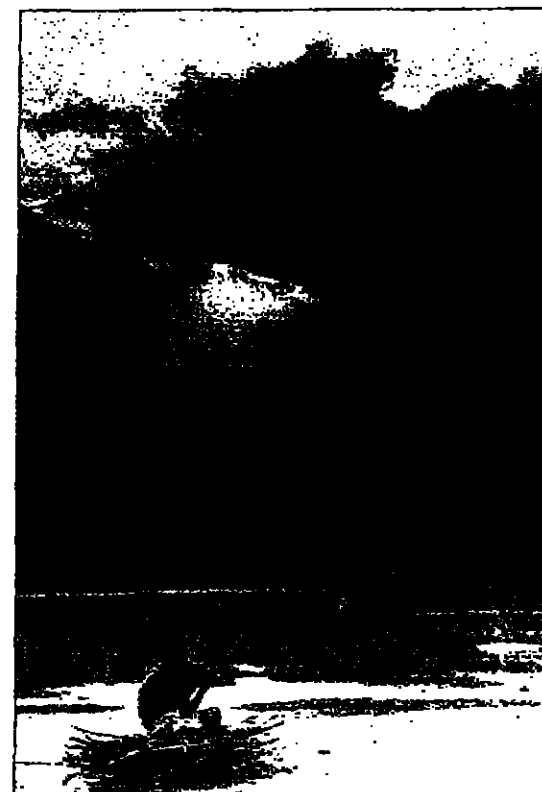
ASMALL man with a large sense of humor died recently after a brief illness, and will be greatly missed by the New York bridge community. His name was Norman Kurlander, 59, and he was the owner-manager, with Keith Garber, of the Bridge Haven Club, 65-55 Woodhaven Boulevard, Rego Park, Queens. Kurlander was an active tournament player who won many regional titles and a quarter of a century ago finished second in the National Men's Teams, an event that no longer exists.

Ed Andreassian, an old friend, recalls the diagram deal from a rubber bridge game played long ago. He sat West, with Kurlander in the East position. "What would have happened if Andreassian had opened with a weak-two bid in spades, as many would do, is far from clear. But he chose to pass, perhaps believing that his suit was too thin for this action when vulnerable, and his partner opened one heart.

South's overall of one no-trump was entirely reasonable, with the hearts well stopped and a solid suit to run. But when West made a good double, South's decision to stand his ground, rather than retreat to two clubs, was rash in the extreme. It was highly probable that he would find a

worthless dummy and lose a lot of tricks in spades and diamonds. As it transpired, the dummy was not entirely worthless. After a spade lead the defense took six tricks in that suit. East discarded four hearts in ascending order and West knew what to do. He shifted to the diamond queen and the defenders took five tricks in that suit.

Isn't it time
you visited
A DREAMLAND?



The world's longest
unbroken sea beach.
The world's largest
mangrove forest.
Home of the
Royal Bengal Tiger.
Thousands of
rivers and rivulets.
Colourful hill tribes.
Bangladesh -
a piece of heaven on earth.

Biman
BANGLADESH AIRLINES
Your home in the air

INTERNATIONAL

France and Russia Offer More Help on UN Inspections in Iraq

Compiled by Our Staff From Dispatches

PARIS — France and Russia offered Thursday to take a bigger role in checking Iraqi weapons, and China said that a United Nations inspection team challenged by Baghdad should be more balanced.

President Bill Clinton, meanwhile, said Thursday that he was very encouraged that the UN Security Council "saw through" Iraq's complaints and unanimously protested the blocking of an American-led weapons inspection team.

He disclosed no further planned U.S. action. "Now we have to see what happens," the president said as he left the White House for a trip to New York.

But at the United Nations, Iraq's chief delegate brushed aside the Security Council's latest demand for free access

to weapons sites, saying that the UN must reduce U.S. influence on its arms inspection teams to win Baghdad's full cooperation.

The delegate, Nizar Hamdoun, dismissed the Security Council statement. "Well, I think we have lost our sensitivity to United Nations Security Council statements."

The UN inspectors, enforcing Gulf War cease-fire terms that prohibit Baghdad from owning weapons of mass destruction, have been stalled since Tuesday while Iraq complains that the teams are dominated by experts from the United States and its close ally Britain.

France, seeking to end the latest standoff, condemned Iraq's action as "unacceptable" and said it would reinforce its staff on the UN teams.

In Beijing, a Foreign Ministry spokesman said the team should include members from more countries.

"The composition of this inspection team should as much as possible reflect the characteristic diversification of the United Nations and should be made up of people from more countries," the ministry's spokesman, Shen Guofang, said at a briefing.

A French Foreign Ministry spokeswoman, Anne Gazeau-Secret, said that Richard Butler, head of the UN commission charged with the inspections, would discuss how to reinforce French participation during a stopover in Paris on Friday on his way to Baghdad.

"We will offer to reinforce our efforts in favor of the special commission," she said.

Russia also stepped in on Thursday to offer its planes to replace American U-2 reconnaissance aircraft over Iraq if Baghdad banned U.S. observation flights from its airspace. "Our countries want the problems to be solved peacefully," the Russian defense minister, Igor Sergeev, said at a news conference during a visit to Paris.

"If Iraq is against the U-2s, we can propose Russian-made planes that have the same performance as U.S. aircraft, and that can be the start of a solution."

In Iraq, Alan Dacey, special assistant to the director of the Baghdad Monitoring and Verification Center, said that the team led by Scott Ritter, an American, was awaiting further instructions from Mr. Butler.

Mr. Butler, who is due to arrive in

Baghdad on Monday, said Wednesday that he would probably not try again to send out Mr. Ritter's team after Iraq blocked it from sites on Tuesday and Wednesday. This blocking of the inspectors' work has prompted the renewed standoff between Iraq and the United Nations and drawn U.S. calls for a tougher stand against President Saddam Hussein of Iraq.

The confrontation follows a crisis late last year when Iraq expelled American members of the inspection team. They were later readmitted and allowed to resume work.

Diplomats say Iraq has been hoping to exploit differences between what it regards as a hard-line British-American approach and the stance of France, Russia and China. (Reuters, AP)

BRIEFLY

Tobacco Suit in Spain

MADRID — In a nation where nonsmoking rules are routinely ignored, even in elevators, a Barcelona lawyer has filed the first wrongful death lawsuit against Spain's state-run tobacco company, seeking \$400,000 in damages for the widow of a smoker who died of lung cancer in 1993.

The attorney, Gustavo Cirac Benedi, said Thursday that the tobacco company, Tabacalera SA, had "concealed the risks of tobacco addiction and smoking" from the deceased, who smoked one of Tabacalera's most popular cigarette brands.

Mr. Cirac said he decided to file the civil case after reading newspaper reports about tobacco lawsuits in the United States. The attorney had been a neighbor of the late smoker in the same apartment building in Barcelona. (NYT)

Tajikistan Talks End

MOSCOW — Peace talks broke down Thursday in restive Tajikistan when opposition representatives abruptly quit the national reconciliation commission in the Central Asian republic.

It was the most serious crisis since the commission, composed of representatives from the government and the Muslim opposition, began work last year following nearly five years of civil war.

An opposition statement gave no indication that anti-government forces would return to warfare, but the breakdown could lead to renewed confrontations.

Even before the talks faltered, some opposition groups were opposed to the peace process, and the apparent collapse of negotiations could strengthen their hand. (AP)

Rains Cripple Nairobi

NAIROBI — Thousands of residents of Kenya's capital, Nairobi, were kept at home on Thursday by torrential rains that cut off entire districts and threatened the country's tourism and farm-based economy.

A steady downpour attributed to the El Niño weather phenomenon has flooded the capital's already collapsing roads and submerged houses and tin shacks in the city's shantytowns.

In a middle-class neighborhood in Nairobi's South B district, teenagers formed emergency water transport gangs, ferrying residents on their backs or in makeshift plastic canoes.

The rains have added to deteriorating sanitation in Nairobi, once rated one of Africa's best-kept cities.

Tensions Flare in Gaza As Israeli and Palestinian Troops Aim at Each Other

Reuters

GUSH KATIF, Gaza Strip — Israeli and Palestinian troops aimed rifles at each other in the heart of Gaza on Thursday, underscoring Middle East tensions ahead of a U.S. presidential push to resurrect peacemaking.

Witnesses said the two-hour standoff occurred during a protest by about 300 Palestinians against the Israeli government's expansion of Jewish settlements on occupied land and its hard line in peace negotiations.

Tensions have been growing ahead of President Bill Clinton's meetings on Tuesday at the White House with Prime Minister Benjamin Netanyahu of Israel and two days later with the Palestinian leader, Yasser Arafat, to try to end 10 months of deadlock.

Israeli troops, some prone and others standing, trained their rifles on Palestinian police and on protesters who blocked a road during the demonstration near the Kfar Darom Jewish settlement.

Palestinian police assumed similar poses in a scene reminiscent of 1996 bloodshed that claimed the lives of 61 Arabs and 15 Israeli soldiers following Israel's opening of an entry to a tourist tunnel in Arab East Jerusalem.

Just as a joint Israeli-Palestinian patrol appeared to be defusing tensions, a Palestinian in a car was shot and lightly wounded in his hand by an Israeli soldier at a nearby roadblock.

Israeli military sources said the car had broken through the checkpoint.

Witnesses said that after the shooting, two Palestinian policemen stood, pointing their guns at two Israeli soldiers less than a meter away.

Some time later, Israeli and Palestinian officers restored order at the scene. Most of the Gaza Strip was handed over to PLO rule under interim peace deals dating back to 1993.

Washington and the Palestinians indicated surprise when Israel's cabinet on Wednesday identified large segments of West Bank land including settlements as "vital national interests," suggesting they could not be ceded to Palestinians.

Washington has demanded that Mr. Netanyahu meet peace agreements by ordering a "significant and credible" West Bank troop pullback. It has also pushed for a "time-out" in expansion of West Bank settlements, where 140,000 Jews live.

Mr. Arafat, speaking in the West Bank town of Hebron, said that the Israelis were "putting all the obstacles before going to Washington while we are looking to achieve something concrete from these meetings in Washington."

He said all options were open when he was asked in Amman, Jordan, on Wednesday if a new Palestinian uprising could break out if his talks with Mr. Clinton failed to produce results.

In Washington, a U.S. official said



A soldier aiming Thursday at Palestinian stone-throwers in Hebron protesting at an Israeli settlement.

Mr. Netanyahu's talks with Mr. Clinton would be strictly limited to Israeli-Palestinian issues and would not include broader consultations on the Middle East.

Israeli media were full of reports that an angry Mr. Clinton would deny Mr. Netanyahu a lunch and a request to hold wider regional discussions to signal his ire at the rightist government's reluctance to pull back its troops.

"This is focused on what Israel needs to do and what the Palestinian Authority

needs to do to get the peace process back on track," said the official, who asked not to be named. He added that Mr. Clinton and Mr. Netanyahu would not dine together.

The Israeli cabinet decided Tuesday not to make any withdrawal until Mr. Arafat's PLO met a 12-page Israeli list of demands on carrying out security and other commitments agreed to in a U.S.-brokered document a year ago. It issued a loosely defined list of "vital interests" on Wednesday.

Albright Pushes for Pullouts

Secretary of State Madeleine Albright is insisting on further Israeli pullbacks on the West Bank despite moves by the Israeli cabinet to establish permanent control of certain parts of the territory, The Associated Press reported Thursday from Washington.

"It is premature to make those kinds of statements at this stage," Mrs. Albright told National Public Radio in New York.

Slavery and Dreyfus Remark: Jospin to Apologize to Right

Reuters

PARIS — Prime Minister Lionel Jospin said Thursday that he was prepared to apologize to the right-wing opposition for a remark that the right favored slavery 150 years ago and opposed justice in the Dreyfus case.

Outraged conservative deputies stormed out of the National Assembly on Wednesday after Mr. Jospin, a Socialist,

made the remarks that he then said were of historical record.

Speaking of slavery, he said, "The left was certainly for abolition and that was not the case of the right, just as the left was for Dreyfus and the right was against him."

Mr. Jospin said Thursday: "I imagine the opposition will criticize me during next week's parliamentary questioning and I will certainly offer my regrets."

His decision to apologize followed intense media criticism of the remarks. Even his supporters said it was an awkward and ill-timed provocation.

This week, France has been observing the 100th anniversary of one of the most influential manifestos in history, Emile Zola's "J'accuse" in defense of Alfred Dreyfus, a Jewish captain in the French Army. Dreyfus was arrested in 1894 and sentenced to life imprisonment on charges of spying for Germany, only to be cleared in 1906.

Mr. Jospin brought up the issue of Dreyfus when he was asked what France planned to do to make up for its role in the African slave trade in the 17th and 18th centuries.

Ushers threw a protective cordon around Mr. Jospin as the conservative deputies poured out of their seats and angrily surged toward him shouting: "Resign! Resign!"

He later said: "I didn't say that the right of today was against Dreyfus. I don't think they would be against him today, so I don't understand any need to identify with the right of yesterday."

He was also criticized for inaccuracy in calling Leon Gambetta, a former prime minister, a Dreyfus supporter. Mr. Gambetta died in 1882, more than a decade before the case.

KNEES: Shining a Bright Light Behind Them May Be the Way to Vanquish Jet Lag

Continued from Page 1

have profound implications for basic biology, overturning conventional ideas of how biological clocks are set and where they are located in the body.

It may also lead to new treatments for seasonal depression, sleep disorders and jet lag — airline passengers could wear a knee brace with a light source that would reset their biological clocks as they sleep during the flight.

The study was carried out by Dr. Scott Campbell and Dr. Patricia Murphy, both at the Laboratory of Human Chronobiology at Cornell University Medical College in White Plains, New York.

When life first began, primitive creatures needed to have a way of keeping time and of knowing when it is light or dark, Dr. Campbell said. And so they evolved a variety of internal biological clocks: cells or clumps of cells that oscillate every 24 hours, sending out signals that control a host of behaviors such as when to wake up, go to sleep, eat, mate, hibernates and the like.

Some creatures have light-sensitive cells on various parts of their bodies that help regulate the master clock. Horseshoe crabs have clock sensors on their tail, skunks have them just inside their skulls and, according to a recent finding that stunned many biologists, fruit flies have timekeeping genes active in their legs, wings and hair bristles, suggesting that their entire body helps keep track of time. Because day length changes through the seasons, every animal has to reset its clocks every day.

Humans are thought to possess a single master clock in the brain that "gives temporal organization to everything that we do," Dr. Campbell said, "but no one ever imagined we had light-sensitive cells on any part of our bodies" outside of the eye.



Even the eye presents a mystery, he said. It contains special cells that gather light and enable vision. But these cells, called rods and cones, have nothing to do with resetting biological clocks. Many blind people experience jet lag, suggesting that undiscovered light-sensitive cells in the eyes are sending important information about day length to the brain. Despite years of looking, no one has ever found such cells in the eye.

"We thought we should look on the skin," Dr. Campbell said. An experiment done a decade earlier by Dr. Wehr found that a couple of people with winter depression got better when light was administered to their face, arms and legs and not to the eyes, he said.

"Dr. Wehr said it was so interesting, that someone should come day repeat the experiment. So we did."

Fifteen volunteers came to the laboratory for four days and nights. On the first night, researchers determined each person's biological rhythm using two standard measures: body core temperature and the rise in a hormone called melatonin.

"Your body temperature rises throughout the day and begins to decline around 7 or 8 o'clock at night," Dr. Campbell said. It falls to its lowest point about 5 or half past 5 in the morning and slowly starts to go up again. In a similar vein, melatonin begins to increase around 10 o'clock at night and makes people feel sleepy. It falls off again during the day.

On the second night, the subjects stayed awake in a dimly lit room, reclining in a chair with a table over their laps. A thick black material was draped over their legs and fastened to their waists. Underneath this skirt, a knee

pad with a fiber optic tube was attached to the back of their knees and a bright light was delivered through the tube for three hours. A fan carried away any heat from a nearby halogen lamp that provided the light.

Subjects received light behind the knees at various times between midnight and noon, Dr. Campbell said. For example, one man got the light treatment between 1 and 4 A.M. and another between 6 and 9 A.M.

Other subjects were put under the same dark skirt, kept awake the same amount of time and given the same instructions. But researchers did not turn on the light source. Neither group knew if it was getting the light treatment or not.

For those treated with light, the timing of their minimum body temperature shifted by up to three hours. Those getting the sham treatment experienced small but statistically insignificant changes in their bodily rhythms, Dr. Campbell said.

This is the first demonstration that you can affect the human clock without going through the eyes," Dr. Campbell said. "We assume that somehow a message is getting from the back of the knee to the master clock," called the suprachiasmatic nucleus, or SCN, in the brain. The SCN is still the master clock, he said, but this means there are other pathways for getting light to it.

How this happens is a major challenge to biologists. It could be by way of skin cells, which are sensitive to light. But how the message would get back to the brain is puzzling.

Dr. Dan Oren, a researcher at the Yale School of Medicine in New Haven, Connecticut, recently suggested a daring hypothesis involving blood as a carrier of the light signal.

The back of the knee happens to have many blood vessels but it is usually covered by clothing, Dr. Oren said.

YELTSIN: Russian Leadership Paralyzed in President's Absence

Continued from Page 1

illnesses. The president, who will turn 67 on Feb. 1, underwent quintuple coronary artery bypass surgery in November 1996, which was followed by a bout of "moderately grave" double pneumonia. He roared back onto the political scene last spring and summer but faltered again this winter.

Mr. Yeltsin made a series of gaffes while on a visit to Sweden, then was sidelined by what was first described as a "bad cold" and later as a viral infection. Doctors denied he was suffering from a new bout of heart trouble but took him to a Moscow heart center for a checkup. There have been repeated rumors, also denied by the Kremlin, that Mr. Yeltsin suffered a stroke in December.

The vacation that followed has been reminiscent of earlier periods when Mr. Yeltsin was seriously ill. He has been isolated and has not met with his subordinates, and the Kremlin has issued

only brief bulletins saying that he is "working on papers." Mr. Yeltsin's schedule repeatedly has been pushed back. For example, the much ballyhooed public accounting of his government for its performance in 1997, which was to have taken place in December, has been rescheduled for February.

Under the Russian Constitution, if the president is incapacitated, the prime minister would become acting president and elections would be held within three months. But according to analysts, there is a strong desire among political leaders in Moscow to avoid new tumult and new elections, if only because there is still uncertainty about who would prevail.

"We see a certain cease-fire. The financial groups are consolidating, getting ready for another round of struggle over state property. Now we are in a stage of coalition-building," said Andrei Kortunov, a political and foreign policy analyst. "No one really wants to fire the first bullet. Everyone under-

stands there is a war coming — a major clash of interests between large groups. But the mobilization is still going on."

Andrei Piontovsky of the Center for Strategic Studies in Moscow said: "Last year, there was a mood of confrontation between the opposition and Yeltsin, and the Communists challenged him all the time on his health. Now I think there is another mood inside the political elite. All of them realize they are in the same boat. The paramount objective is just to ensure their position, their privileges, their fortunes."

Separately, Mr. Yeltsin's would-be heirs are laying the groundwork for possible election campaigns, though his term does not expire for more than two years. Likely candidates, if an election were held soon, would be Prime Minister Viktor Chernomyrdin, Mayor Yuri Luzhkov of Moscow, Alexander Lebed, the maverick former general, and Gennadi Zyuganov, the Communist Party leader, who leads them all in recent polls.

Kremlin Denies Reports Chernomyrdin Is Sick

Reuters

MOSCOW — Prime Minister Viktor Chernomyrdin missed a cabinet meeting Thursday after an exhausting trip to Central Asia, but the government dismissed reports that he might be ill.

The government spokesman, Igor Shabardasulov, said Mr. Chernomyrdin, 59, had decided to work at a country residence after returning from two days of talks in Tajikistan and Turkmenistan.

He denied comments by a source in the government who said the prime minister was at a sanatorium outside Moscow.

The spokesman said Mr. Chernomyrdin had asked First Deputy Prime Minister Anatoli Chubais to preside over a cabinet meeting Thursday.

SPY: Wolf Is Jailed for Refusing to Testify

Continued from Page 1

Willy Brandt's personal office and whose unmasking ended Mr. Brandt's political career in 1974.

Who, then, was "Julius," state prosecutors wanted to know. Mr. Wolf declined to say, arguing that the trial of Mr. Flaming was no more than a continuation of the Cold War. The court, however, ruled that Mr. Wolf had no right to withhold the identity of "Julius."

The jailing of Mr. Wolf capped decades of drama. During the Cold War, Mr. Wolf specialized in infiltrating West Germany and the NATO allies with spies, so-called sleeper and seducers who wheedled pillow-talk secrets from their targets. For decades, Western intelligence operatives did not even know what he looked like.

Then, in the reunified Germany, Mr. Wolf fought long legal battles to stay free. In 1995, the country's highest court overturned a six-year jail term for treas-

on, ordered in 1993 but never enforced, ruling that former East German intelligence officers could not be accused as traitors for operations directed from their own country.

Last May, Mr. Wolf was found guilty on three counts of kidnapping but was given a two-year suspended jail term that allowed him to walk free just days before his memoirs were published in the United States by Times Books/Random House, a unit of Advance Publications, under the title "Man Without a Face."

But even after the publication of the book, Mr. Wolf still fuels many tantalizing enigmas. The identity of many of his operatives and informants remains a mystery, and he made clear at Mr. Flaming's trial that he would not expose those still living to prosecution. While he casts himself as having been a true servant of socialism fighting the class struggle, he nonetheless rose to high rank in the East German state security system that underpinned decades of oppression.

Robert Daly, chairman of Warner Brothers Inc., agreed that the timing of Seinfeld's decision "certainly didn't hurt our negotiations."

THE AMERICAS

Kodak's Results Send a Shudder Through Wall Street

NEW YORK—Stocks fell Thursday after poor results from Kodak stoked investors' fears that more bad profit reports were on the way.

Kodak closed down 1 1/4 at 58 1/2 after reporting a loss of \$744 million for the fourth quarter, weighed down by the costs of 16,600 jobs cut and a price war with Japanese rival Fuji that contributed to a 13 percent sales drop.

Kodak earned a net \$164 million in the year-earlier period. Sales were \$3.83 billion, down from \$4.42 billion. Even without the cost of job cuts and other one-time items, profit would have fallen 38 percent, to \$246 million.

Kodak's weakness helped pull the Dow Jones industrial average down 92.92 points to close at 7,691.77. The broader market also was weak, with the Standard & Poor's 500 index closing down 7.20 at 950.74 and losing issues outnumbering gaining ones by a 5-to-4 ratio on the New York Stock Exchange.

"We're going to see more earnings on the negative side than the positive side in the next couple of weeks," said Richard Sichel, chief investment officer at Bryn Mawr Trust Co. "I don't know how safe anyone can be."

Investors are concerned that weak Asian economies will crimp earnings growth in 1998 for U.S. companies, dealing a blow to one of the foundations of the seven-year-old bull market.

Powerwave Technologies, for example, closed down 3 1/2 at 10 1/2 after

But the profit news was not all bad. Digital Equipment rose 1 1/4 to 39 1/2 after saying its second-quarter profit more than doubled as it improved management of sales and inventory.

The computer maker earned a net \$74.8 million, up from \$31.9 million, even as revenue slipped to \$3.32 billion from \$3.36 billion. Digital said sales would have risen 6 percent without the effects of the dollar's rise against Asian and European currencies.

In the Treasury bond market, the price of the benchmark 30-year issue fell 5/32 point, to 105 131/32, leaving the yield steady at 5.74 percent. (Bloomberg, AP)

Dollar Gains on Mark

Talk of New Japanese Stimulus Bolsters the Yen

Bloomberg News

NEW YORK—The dollar rose against the Deutsche mark Thursday after the head of the Bundesbank suggested that German interest rates were not headed higher and a credit rating company said it might cut its rating on Russia, one of Germany's major borrowers.

But the dollar fell against the yen amid expectations that the Japanese government would develop additional plans to increase domestic consumer spending and stabilize financial markets.

Concern about Russia emerged as Moody's Investors Service Inc. said it might lower its sovereign debt rating.

Microsoft and Judge Spar Over Order

WASHINGTON—Judge Thomas Penfield Jackson of U.S. District Court on Thursday challenged Microsoft Corp.'s claim that its December order instructed the company to offer a nonfunctional version of its Windows 95 operating system to computer makers.

Judge Jackson also rejected Microsoft's motion to remove the special adviser he appointed to give him counsel on deciding the Justice Department's claim that Microsoft was illegally forcing computer makers to install its Web browser. The software company had argued that the special adviser, Lawrence Lessig, a law professor, was biased against Microsoft, appointed without proper consultation and extended power beyond the court.

Judge Jackson's actions came near the end of a two-day hearing on the Justice Department's bid to have Microsoft held in contempt of court for not giving computer makers a viable way to remove Internet Explorer from Windows 95.

A senior Microsoft executive testified Wednesday that Bill Gates, the company's chairman, and other Microsoft executives came up with a plan to give computer makers a choice between selling their equipment with a nonworking

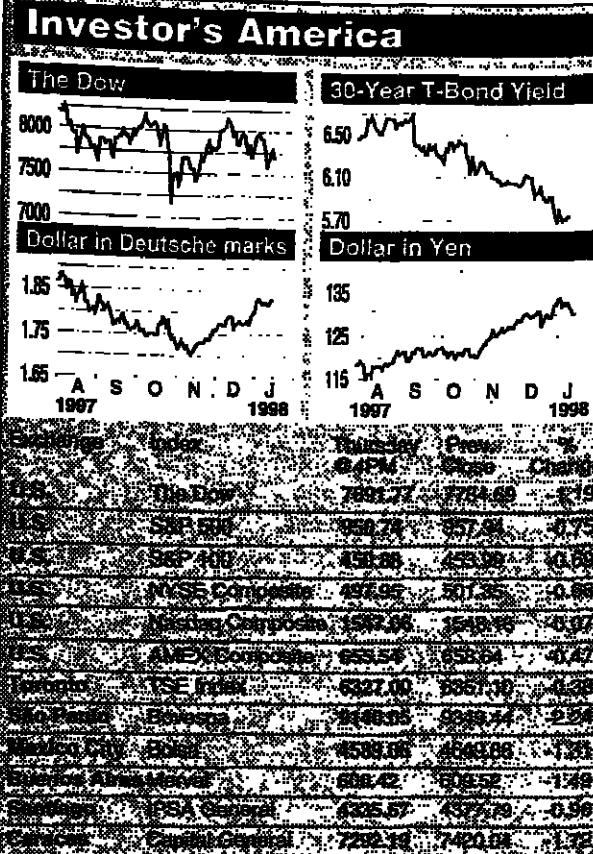
version of Windows 95 or continuing to give consumers the popular operating system with Microsoft's Internet browser already included, despite a judge's prohibition.

Microsoft says Explorer and Windows 95 are inextricably linked and cannot be separated without breaking the system.

David Cole, a Microsoft vice president who oversaw the development of Windows 95 and Internet Explorer software, tried to prove in his testimony Wednesday that the government has little understanding of the relationship between its operating system and its Internet browser software.

Mr. Cole said that Judge Jackson's order was broadly worded, leaving the company no choice but to suggest to computer makers that they consider deleting computer files that are essential to both Windows 95 and Internet Explorer. Deleting these files, however, would wreck the software necessary to operate the computer.

Antitrust prosecutors have said, and Judge Jackson has suggested, that Microsoft could easily comply with the order to disable Internet Explorer by using a simple add-and-remove utility on Windows 95 that would delete some of Internet Explorer's files without disabling the operating system. (Bloomberg, NYT)



Very briefly:

- **Bowater Inc.**, the largest U.S. newspaper producer, said increased paper prices and lower operating costs raised its fourth-quarter earnings to \$30.1 million, compared with \$18.2 million for the like period last year. Sales rose 7.8 percent, to \$401 million.
- **Commonwealth Edison Co.**, a unit of Illinois Corp., will close its Zion Nuclear Generating Station in Illinois after nearly 25 years of operation and take a charge of \$515 million. Union Carbide said it was closing the plant because it would be unable to produce power at a cost that would be competitive in the deregulated utility market.
- **The Brazilian unit of Volkswagen AG** of Germany reached an agreement with its unionized workers to cut benefits instead of jobs to compensate for sales declines that forced a 30 percent drop in car output since November.
- **Swiza Foods Corp.** plans to buy Continental Can Co. for about \$345 million in stock and debt as the dairy and packaging company seeks to raise sales of plastic packages.
- **Frontier Corp.** plans to buy GlobalCenter Inc., an Internet service provider, for \$201.8 million in stock and assumed debt as the telephone company accelerates its push into commercial Internet services. (AP, Bloomberg, Reuters)

Keating Conviction Is Reinstated

SAN FRANCISCO—A federal appeals court reinstated Thursday the state securities fraud convictions of Charles Keating Jr., the former head of Lincoln Savings.

Mr. Keating was convicted in both state and federal courts of defrauding thousands of investors who bought high-risk junk bonds, but both convictions were overturned because of jury misconduct in the federal case.

Mr. Keating was released in 1996 after serving more than four years in prison.

FOREIGN EXCHANGE

Traders also cited speculation, denied by the Kremlin, that Prime Minister Victor Chornomyrdin was ill.

"Recent interest-rate comments of the Bundesbank have been dovish, suggesting that rates are on hold," said Bob Savage, chief currency trader at Lehman Brothers.

"The rumors about trouble in the Kremlin also bolstered the dollar."

In 4 P.M. trading, the dollar rose to 1.8315 DM from 1.8225 DM on Wednesday but fell to 129.870 yen from 130.985 yen. Against other currencies, the dollar rose to 6.1025 Swiss francs from 6.1025 Swiss francs and to 1.4980 Swiss francs from 1.4830.

AMEX

Thursday's 4 P.M. Close
The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press

| Stock | High | Low | Open | Close |
|-----------|--------|--------|--------|--------|
| IBM | 114.57 | 114.10 | 114.10 | 114.10 |
| Microsoft | 67.15 | 66.50 | 66.50 | 66.50 |
| Apple | 42.50 | 42.00 | 42.00 | 42.00 |
| Oracle | 35.00 | 34.50 | 34.50 | 34.50 |
| Amazon | 25.00 | 24.50 | 24.50 | 24.50 |
| Google | 15.00 | 14.50 | 14.50 | 14.50 |
| Yahoo | 10.00 | 9.50 | 9.50 | 9.50 |
| Alibaba | 5.00 | 4.50 | 4.50 | 4.50 |
| Facebook | 3.00 | 2.50 | 2.50 | 2.50 |
| Twitter | 2.00 | 1.50 | 1.50 | 1.50 |
| LinkedIn | 1.00 | 0.50 | 0.50 | 0.50 |

U.S. STOCK MARKET DIARY

| Index | High | Low | Open | Close |
|--------------|----------|----------|----------|----------|
| Dow Jones | 7,691.77 | 7,608.85 | 7,608.85 | 7,691.77 |
| S&P 500 | 950.74 | 943.54 | 943.54 | 950.74 |
| Nasdaq | 2,115.12 | 2,100.00 | 2,100.00 | 2,115.12 |
| AMEX | 1,000.00 | 990.00 | 990.00 | 1,000.00 |
| NYSE | 1,500.00 | 1,490.00 | 1,490.00 | 1,500.00 |
| Most Actives | | | | |
| IBM | 114.57 | 114.10 | 114.10 | 114.10 |
| Microsoft | 67.15 | 66.50 | 66.50 | 66.50 |
| Apple | 42.50 | 42.00 | 42.00 | 42.00 |
| Oracle | 35.00 | 34.50 | 34.50 | 34.50 |
| Amazon | 25.00 | 24.50 | 24.50 | 24.50 |

INTERNATIONAL FUTURES

| Commodity | High | Low | Open | Close |
|-------------------------|----------|----------|----------|----------|
| Crude Oil | 25.00 | 24.50 | 24.50 | 24.50 |
| Natural Gas | 1.50 | 1.45 | 1.45 | 1.45 |
| Gold | 350.00 | 345.00 | 345.00 | 345.00 |
| Silver | 15.00 | 14.50 | 14.50 | 14.50 |
| Copper | 3.50 | 3.40 | 3.40 | 3.40 |
| Aluminum | 1.50 | 1.45 | 1.45 | 1.45 |
| Zinc | 1.00 | 0.95 | 0.95 | 0.95 |
| Lead | 0.50 | 0.45 | 0.45 | 0.45 |
| Nickel | 0.20 | 0.15 | 0.15 | 0.15 |
| Platinum | 1,000.00 | 990.00 | 990.00 | 990.00 |
| Palladium | 1,500.00 | 1,490.00 | 1,490.00 | 1,490.00 |
| Iron Ore | 50.00 | 49.00 | 49.00 | 49.00 |
| Wheat | 2.50 | 2.40 | 2.40 | 2.40 |
| Corn | 1.50 | 1.40 | 1.40 | 1.40 |
| Soybeans | 1.00 | 0.95 | 0.95 | 0.95 |
| Canola | 0.50 | 0.45 | 0.45 | 0.45 |
| Crude Oil (WTI) | 25.00 | 24.50 | 24.50 | 24.50 |
| Natural Gas (Henry Hub) | 1.50 | 1.45 | 1.45 | 1.45 |
| Gold (COMEX) | 350.00 | 345.00 | 345.00 | 345.00 |
| Silver (COMEX) | 15.00 | 14.50 | 14.50 | 14.50 |
| Copper (COMEX) | 3.50 | 3.40 | 3.40 | 3.40 |
| Aluminum (COMEX) | 1.50 | 1.45 | 1.45 | 1.45 |
| Zinc (COMEX) | 1.00 | 0.95 | 0.95 | 0.95 |
| Lead (COMEX) | 0.50 | 0.45 | 0.45 | 0.45 |
| Nickel (COMEX) | 0.20 | 0.15 | 0.15 | 0.15 |
| Platinum (COMEX) | 1,000.00 | 990.00 | 990.00 | 990.00 |
| Palladium (COMEX) | 1,500.00 | 1,490.00 | 1,490.00 | 1,490.00 |
| Iron Ore (Platts) | 50.00 | 49.00 | 49.00 | 49.00 |
| Wheat (CBOT) | 2.50 | 2.40 | 2.40 | 2.40 |
| Corn (CBOT) | 1.50 | 1.40 | 1.40 | 1.40 |
| Soybeans (CBOT) | 1.00 | 0.95 | 0.95 | 0.95 |
| Canola (CBOT) | 0.50 | 0.45 | 0.45 | 0.45 |
| Crude Oil (Brent) | 25.00 | 24.50 | 24.50 | 24.50 |
| Natural Gas (Brent) | 1.50 | 1.45 | 1.45 | 1.45 |
| Gold (London) | 350.00 | 345.00 | 345.00 | 345.00 |
| Silver (London) | 15.00 | 14.50 | 14.50 | 14.50 |
| Copper (London) | 3.50 | 3.40 | 3.40 | 3.40 |
| Aluminum (London) | 1.50 | 1.45 | 1.45 | 1.45 |
| Zinc (London) | 1.00 | 0.95 | 0.95 | 0.95 |
| Lead (London) | 0.50 | 0.45 | 0.45 | 0.45 |
| Nickel (London) | 0.20 | 0.15 | 0.15 | 0.15 |
| Platinum (London) | 1,000.00 | 990.00 | 990.00 | 990.00 |
| Palladium (London) | 1,500.00 | 1,490.00 | 1,490.00 | 1,490.00 |
| Iron Ore (Brent) | 50.00 | 49.00 | 49.00 | 49.00 |
| Wheat (Brent) | 2.50 | 2.40 | 2.40 | 2.40 |
| Corn (Brent) | 1.50 | 1.40 | 1.40 | 1.40 |
| Soybeans (Brent) | 1.00 | 0.95 | 0.95 | 0.95 |
| Canola (Brent) | 0.50 | 0.45 | 0.45 | 0.45 |

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U.S. STOCK MARKET DIARY

Indexes

| Index | High | Low | Open | Close |
|-----------|----------|----------|----------|----------|
| Dow Jones | 7,691.77 | 7,608.85 | 7,608.85 | 7,691.77 |
| S&P 500 | 950.74 | 943.54 | 943.54 | 950.74 |
| Nasdaq | 2,115.12 | 2,100.00 | 2,100.00 | 2,115.12 |
| AMEX | 1,000.00 | 990.00 | 990.00 | 1,000.00 |
| NYSE | 1,500.00 | 1,490.00 | 1,490.00 | 1,500.00 |

Most Actives

| Stock | High | Low | Open | Close |
|-----------|--------|--------|--------|--------|
| IBM | 114.57 | 114.10 | 114.10 | 114.10 |
| Microsoft | 67.15 | 66.50 | 66.50 | 66.50 |
| Apple | 42.50 | 42.00 | 42.00 | 42.00 |
| Oracle | 35.00 | 34.50 | 34.50 | 34.50 |
| Amazon | 25.00 | 24.50 | 24.50 | 24.50 |

Standard & Poors

| Stock | High | Low | Open | Close |
|-----------|--------|--------|--------|--------|
| IBM | 114.57 | 114.10 | 114.10 | 114.10 |
| Microsoft | 67.15 | 66.50 | 66.50 | 66.50 |
| Apple | 42.50 | 42.00 | 42.00 | 42.00 |
| Oracle | 35.00 | 34.50 | 34.50 | 34.50 |
| Amazon | 25.00 | 24.50 | 24.50 | 24.50 |

AMEX

| Stock | High | Low | Open | Close |
|-----------|--------|--------|--------|--------|
| IBM | 114.57 | 114.10 | 114.10 | 114.10 |
| Microsoft | 67.15 | 66.50 | 66.50 | 66.50 |
| Apple | 42.50 | 42.00 | 42.00 | 42.00 |
| Oracle | 35.00 | 34.50 | 34.50 | 34.50 |
| Amazon | 25.00 | 24.50 | 24.50 | 24.50 |

Dow Jones Bond

| Index | High | Low | Open | Close |
|-----------------|--------|--------|--------|--------|
| 20 Bonds | 105.14 | 105.00 | 105.00 | 105.14 |
| 10 Industrials | 107.28 | 107.00 | 107.00 | 107.28 |
| 100 Industrials | 107.28 | 107.00 | 107.00 | 107.28 |

Trading Activity

| Index | High | Low | Open | Close |
|----------------|----------|----------|----------|----------|
| NYSE | 1,500.00 | 1,490.00 | 1,490.00 | 1,500.00 |
| Nasdaq | 2,115.12 | 2,100.00 | 2,100.00 | 2,115.12 |
| AMEX | 1,000.00 | 990.00 | 990.00 | 1,000.00 |
| Dow Jones Bond | 105.14 | 105.00 | 105.00 | 105.14 |
| 10 Bonds | 107.28 | 107.00 | 107.00 | 107.28 |
| 100 Bonds | 107.28 | 107.00 | 107.00 | 107.28 |

Dividends

| Company | Per Amt | Rec Pay | Company | Per Amt | Rec Pay |
|------------------|---------|---------|----------|---------|---------|
| BFC | 0.10 | 1-15 | Chrysler | 0.10 | 1-15 |
| Bank of America | 0.10 | 1-15 | Comcast | 0.10 | 1-15 |
| Bank of New York | 0.10 | 1-15 | Comcast | 0.10 | 1-15 |
| Bank of Montreal | 0.10 | 1-15 | Comcast | 0.10 | 1-15 |
| Bank of the West | 0.10 | 1-15 | Comcast | 0.10 | 1-15 |
| Bank of America | 0.10 | 1-15 | Comcast | 0.10 | 1-15 |

Executive Telekom dismissed Dispute

...the profit news was not all bad. Digital Equipment rose 1 1/4 to 39 1/2 after saying its second-quarter profit more than doubled as it improved management of sales and inventory.

The computer maker earned a net \$74.8 million, up from \$31.9 million, even as revenue slipped to \$3.32 billion from \$3.36 billion. Digital said sales would have risen 6 percent without the effects of the dollar's rise against Asian and European currencies.

In the Treasury bond market, the price of the benchmark 30-year issue fell 5/32 point, to 105 131/32, leaving the yield steady at 5.74 percent. (Bloomberg, AP)

EUROPE

Executive
At Telekom
Is Dismissed
Amid Dispute

Compiled by Our Staff From Dispatches

BONN — Deutsche Telekom AG said Thursday that Erik Jan Nederkorn, executive in charge of international activities, would leave the company at the end of the month.

The dismissal followed reports of disputes between Mr. Nederkorn and the company's chairman, Ron Sommer, over how much money to invest abroad and in the Global One alliance.

Deutsche Telekom gave no further details and did not say who would replace Mr. Nederkorn, 54.

A former chief executive at the aircraft maker Fokker NV, Mr. Nederkorn was appointed to Telekom's management board in 1996. It marked the first time that Telekom had created a board position charged with overseeing the company's international expansion.

But Global One, the international business communications venture with Sprint Corp. and France Telecom SA, has not performed according to the company's expectations.

Faced with new domestic competitors since the opening of markets this year, Telekom hopes in the future to earn 20 percent of its revenue abroad.

The company had sales of 63 billion Deutsche marks (\$34.5 billion) in 1996, but only a small share of that came from foreign holdings such as Global One's business or its stake in the Hungarian phone company, Matav.

German press reports have said Mr. Sommer was dissatisfied with Mr. Nederkorn's performance and particularly disappointed with the results at Global One.

The decision to terminate Mr. Nederkorn's contract early was the latest example of Mr. Sommer's determination to whip his management team into shape as the company faces new competition, some analysts said.

Mr. Sommer has earned the reputation in the industry of being a tough chief executive, committed to transforming a former bloated state bureaucracy into a flagship technology company and unwilling to tolerate poor performance among his executives.

Lothar Hunsel, former head of the company's mobile communications division, was let go late last year after its D1 cellular-phone business failed to overtake its main rival, the D2 network operated by Mannesmann AG. (Reuters, Bloomberg)



Deutsche Bank's new investment-banking center in Frankfurt, where Hans Tietmeyer delivered his speech Thursday ruling out a deflation threat, is Germany's largest stock-trading complex.

Tietmeyer Dismisses Talk of Deflation Threat

Compiled by Our Staff From Dispatches

FRANKFURT — Daimler-Benz President Hans Tietmeyer lashed out Thursday against talk of deflation scenarios and made clear that he did not believe Germany was about to enter a deflationary phase.

"However one interprets the 'D word,'" Mr. Tietmeyer said in a speech at the opening of Deutsche Bank AG's investment-banking

center, "it should — at least in Germany's case — be put back in the drawer as quickly as it appeared." The central banker said there was no risk of "asset-price bubbles" in Germany, especially as private households do not own nearly as much stock as their American counterparts. Also, he said, the German banking system had not been "weakened by monetary failures as in other countries."

Criticizing the general debate about deflation, he said few people seemed to understand why the chairman of the U.S. Federal Reserve Board, Alan Greenspan, spoke about deflation in a speech Jan. 3.

Analysts interpreted Mr. Greenspan's speech as a signal that the U.S. central bank would not raise interest rates soon. (Reuters, Bloomberg)

Airbus Puts
Naming of
CEO on Hold

Compiled by Our Staff From Dispatches

PARIS — The board of Europe's Airbus Industrie consortium postponed a decision Thursday on appointing a new chief executive — widely expected to be Noel Forgeard of France — pending further negotiations, an Airbus spokesman said.

Mr. Forgeard, president of Matra Hautes Technologies, the space-defense branch of Lagardere SCA, was the sole candidate for the post, and his appointment had been expected at an Airbus board meeting Thursday at the headquarters of the consortium in Toulouse.

The spokesman said the board had discussed a proposal to appoint Mr. Forgeard, 51, but had made no decision so that it could have time for further talks.

"The appointment of an external candidate is new to Airbus Industrie, and a number of complex issues have to be considered," the spokesman said. "The terms and conditions of his appointment are ongoing and are expected to be concluded in the near future."

Mr. Forgeard's name was put forward by Aerospaciale, the French company that makes up 37.9 percent of Airbus.

The other partners are Daimler-Benz Aerospace AG of Germany, which also holds 37.9 percent, British Aerospace PLC, with 20 percent, and Construcciones Aeronauticas SA of Spain, with 4.2 percent. All four partners must agree on the appointment, but traditionally the company's managing directors have been French.

If Mr. Forgeard takes the post, he would be set to become the company's first chairman after it becomes a fully independent commercial company, a change scheduled to take place by next year. The current chief executive, Jean Pierson, will retire at the end of March.

Previous Airbus chief executives have come from the public sector, including Mr. Pierson, who worked at state-owned Aerospaciale.

"It is surprising that the appointment has not been fully decided today," said Emmanuel Dubois Pelier, an aerospace analyst at Standard & Poor's Corp. "It points to the difficulties that Airbus has in restructuring itself."

Mr. Forgeard played a key role in forming the Matra BAE Dynamics joint venture between Lagardere and British Aerospace to make Europe's biggest tactical-missiles concern. He has also been a proponent of a strong European space business through Lagardere's Matra Marconi Space venture with GEC PLC of Britain. (Reuters, AFP)

Daimler Reaches Accord on Part-Timers

Bloomberg News

FRANKFURT — Daimler-Benz AG said Thursday it had reached agreement with worker representatives on a plan to offer older employees part-time work, a move the company hopes will help cut costs.

Under the agreement, eligible employees between 55 and 60 years old will work about half of their normal 35-hour week and receive 85 percent of their net full-time wage. They will

also receive 4.5 months of gross full-time pay upon retirement.

Daimler is one of several German companies, including Volkswagen AG and RWE AG, that have introduced such programs to save on early retirement packages and increase workplace flexibility.

"A significant compromise has been forged between the necessity of making structural changes in the company and fulfilling responsibility

to the job market," said Heiner Troitzsch, head of employment at Daimler. "Part-time work, as it is laid down in the law and in collective agreements, presents the opportunity for innovative and flexible negotiations."

The part-time program applies only to Daimler's domestic work force in its carmaking divisions. It will be offered to about 1,500 workers this year, or 1 percent of the total staff. The company plans to start the first group of workers in the part-time program by midyear. Under German law, 5 percent of a company's work force can take part in such a program. Daimler said it would negotiate a yearly quota within that limit with workers.

Though Daimler's offer of 85 percent of net pay and benefits is higher than the 82 percent stipulated in a collective agreement for such programs, the company said switching workers to part time was still cheaper than offering early retirement packages. (Reuters, AFP)

Sears to Shut Stores and Spin Off a Unit

Bloomberg News

LONDON — Sears PLC said Thursday it would close its European stores and spin off the Freemans catalog shopping unit earlier than planned as the British retailer tries to reverse five years of falling profits.

Sears shares fell 1 penny to 51.5 pence (84 U.S. cents) after it said it would take charges of £4 million to

close or sell stores in Europe and an estimated £40 million charge to spin off Freemans by the end of this year.

Sears has announced plans to spin off Selfridges, its London department store. After the disposal of Freemans, Sears will be left with its clothing chains, including Richards, Warehouse, Wallis and Miss Selfridge.

WORLD STOCK MARKETS

Thursday, Jan. 15

Prices in local currencies.

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Amsterdam

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ASIA/PACIFIC

Developer's Plunge Hits Hong Kong Stocks

Compiled by Our Staff From Dispatches

HONG KONG — Sino Land Co.'s shares plunged 46 percent Thursday on speculation that the property developer was on the brink of bankruptcy, and the drop helped pull the benchmark Hang Seng index down 7.02 percent.

Chairman Robert Ng blamed "malicious rumors" for the sell-off that sent Sino Land's stock down 160 Hong Kong dollars to close at a five-year low of 1.90 dollars (24.5 U.S. cents).

"I really don't know where these rumors are coming from," Mr. Ng said. "It's quite a concerted action not only against the company, but the market. We have tremendous assets."

He said the company had loans extending over a four-year period

and that it would have no problems meeting any of those payments.

"They're not due tomorrow; it's over a period of time," Mr. Ng said. "We have no problems with that."

Hong Kong property prices have fallen recently, and Sino Land is not the first company to fall victim to rumors of difficulty in meeting debt payments.

Midland Realty Ltd., the only publicly traded property agent here, denied Wednesday that it was in trouble after closing 20 of its 200 offices. First Pacific Co., its stock reeling, issued a statement last week to say it was financially sound.

Analysts said the companies were probably healthy.

"They are not as cash-rich as they were a year ago," said Andrew Taylor of Paribas Asia Equity. "But

in terms of the companies defaulting, there is very little chance."

But investors have been shaken since Peregrine Investment Holdings (HK) Ltd., Hong Kong's biggest homegrown investment bank, filed for liquidation this week.

Frederick Tsang, head of research at BNP-PrimeEast Securities (HK) Ltd., said, "Investors are very nervous despite Sino Land's denial, and this is a kind of post-Peregrine jitters."

The Hang Seng index finished at 8,578.98, down 647.57 points.

Dealers also said comments by the international financier George Soros, who said the regional economic crisis might have further ramifications for Hong Kong and China, also had hurt sentiment.

Mr. Soros said Wednesday in

Hamburg that the situation in Hong Kong and China was "extremely precarious."

Patrick Ho, sales director at Seapower Securities, said the market had largely underestimated the probable impact of the regional financial crisis on domestic corporate earnings.

"Some Hong Kong corporates are highly leveraged," he said. "The risk of defaults is a real one, particularly since we believe the high-interest-rate environment is likely to persist in the medium term."

But Franklin Lam, director of regional property research at SBC Warburg Dillon Read, said developers in general did not have cash-flow problems.

(Bloomberg, Reuters, AFP)

China Gives U.S. Official A Pledge: No Devaluation

By Steven Mufson
Washington Post Service

BEIJING — The U.S. deputy Treasury secretary, Lawrence Summers, said he received an "unequivocal commitment" in meetings here Thursday with top economic policymakers that China would not devalue its currency despite competitive pressures from around Asia.

Emerging from a meeting with China's central bank governor, Dai Xianglong, Mr. Summers said China's pledge to keep its exchange rate steady was "the most important contribution that China could make to stability in Asia."

Mr. Summers also met with Deputy Prime Minister Zhu Rongji, China's most important economic policymaker, who, in an effort to dampen speculation and calm markets, reiterated for the third day in a row his commitment to defend the Chinese currency.

Many analysts and traders have feared that China might devalue its currency, the yuan, to hang onto markets and prevent its exports from being undercut by products from other Asian countries whose plunging currencies have reduced their costs. A devaluation would also make it more attractive to foreigners to invest in China, which draws more than half its foreign investment from elsewhere in Asia.

But a drop in the value of China's currency would deal a devastating blow to efforts to stabilize markets and economies around the region by putting pressure on other currencies and perhaps sparking a series of competitive devaluations as countries vied to maintain an edge for their exports. A devaluation by China would also damage confidence in the Hong Kong dollar and undermine the Hong Kong government's efforts to defend its exchange rate, which is pegged to the U.S. dollar.

"The Chinese reiterated their unequivocal commitment not to devalue," Mr. Summers said. He added that "we agreed that the performance of our economies along with the performance of the Japanese economy were profoundly important to the situation in Asia."

Chinese newspapers carried reports Thursday quoting Mr. Zhu as having told a meeting of bankers Tuesday that China would defend its currency. According to the reports in state-run newspapers, he acknowledged that the devaluations of Southeast Asian currencies over the past several months could pose "severe challenges" to China's exports and its "influx of foreign funds."

But he said China would meet those challenges, maintain exports and keep its economy growing at more than 8 percent this year. That rate is lower than government forecasts made just a couple of months ago, but it is still higher than the rate forecast by many analysts.

Mr. Summers said Chinese leaders also had agreed that the International Monetary Fund would continue to take the lead in providing assistance to troubled countries in the region.

Tung Forecasts Growth But Says Crisis Persists

Compiled by Our Staff From Dispatches

HONG KONG — Chief Executive Tung Chee-hwa said Thursday that the regional economic "storm has not blown over" and that Hong Kong must be "constantly on alert."

But Mr. Tung also predicted that the Hong Kong economy would grow 4 percent despite Asia's financial crisis.

In an address to the provisional Legislative Council, Mr. Tung said Hong Kong's economic fundamentals remained sound, with massive fiscal reserves and prudent fiscal policies. "We have no reason to believe that Hong Kong will be totally crushed by the crisis," he said.

Mr. Tung said the plunge in Asian currencies and markets since last summer had only strengthened his government's resolve to defend the Hong Kong dollar's link to the U.S. dollar. The consequences would be "unimaginable," he said, if the link to the U.S. dollar were not firmly maintained.

To maintain the Hong Kong dollar's value, financial officials have had to raise interest rates, hurting Hong Kong's stock market and property sector.

(AFP, AP)



A Hong Kong stock trader yawning after the close of another busy session Thursday.

BANK: A Quiet Effort Is Under Way to Help Asians Hit Hardest by the Turmoil

Continued from Page 1

The social programs are part of the overall mission of the World Bank, which is a sister organization of the International Monetary Fund.

While the Fund's mandate is to preserve global financial and currency stability, and to help countries in times of financial crisis by designing reform programs, the World Bank tends to focus on the longer-term goals of promoting economic growth and reducing poverty in developing countries.

"I think in times of a major and unprecedented crisis such as the one we are facing in East Asia it is very natural that a lot of the attention is focused on currencies, bank failures and stock markets," Mr. Shirazi said.

"But the main challenge of the bank is to deal with the social aspects of the crisis."

Mr. Shirazi said that about \$500 million of new loans would be made available in Indonesia and \$300 million in Thailand this year.

The World Bank programs now being planned or enlarged upon include:

Public works programs in rural Indonesian communities that at a time of mounting unemployment will provide small loans for fund job-creating activities such as roadwork, drainage repairs, and small-scale water supply and waste treatment projects. These loans can be as small as \$50,000 per rural community.

Also in Indonesia, increased financing is being planned to pay for medicines at a time when the devaluation of the Indonesian rupiah has caused the price of imported drugs to skyrocket.

In Thailand, financial resources are being freed up by the World Bank in order to help construction workers who have lost their jobs as a result of the cancellation of big and prestigious infrastructure projects.

Also in Thailand, work is going forward on the creation of a Social Investment Fund that will offer new opportunities for laid-off workers who are returning from urban centers to their villages in the countryside.

"The most obvious consequence of the crisis in East Asia is unemployment," said Katherine Marshall, a senior World Bank official. An estimated 2.4 million Indonesians have already lost their jobs,

and Ms. Marshall said millions more could be at risk. But beyond helping the newly unemployed, she noted that the World Bank was also planning to provide assistance to poor Indonesians who may not be able to afford staple foods because of price increases. It will also try to aid migrant workers who may be repatriated as a result of the economic slump.

Teams of World Bank staffers and consultants are meanwhile arriving in Bangkok and Jakarta to advise government officials on how to make public spending cuts that do not worsen the condition of the poor and unemployed.

"In a nutshell, social spending on basic education and health needs to be protected, but wasteful capital projects can be postponed," Mr. Shirazi said.

"So part of our job is to work with governments by examining the public-spending programs and pointing out how economies can be made and efficiencies introduced while at the same time delivering social services to the poorest."

Mr. Shirazi noted that in addition to its work on helping to maintain a social safety net in East Asia, World Bank officials were advising In-

donesia and Thailand on restructuring their banking systems, a task that also calls for closing and merging many banks and financial companies.

Asked to comment on a New York Times report Wednesday that a confidential IMF report on Indonesia acknowledged that the Fund may have helped to trigger a bank panic in November by requiring Jakarta to close 16 insolvent banks, Mr. Shirazi conceded that "yes, that caused some issues with which the government is now grappling."

He stressed, however, that "any time you have a weak financial system no matter what action you take it is going to cause some degree of panic" and added that "these countries, we should remember, generally do not have a deposit insurance system."

Nonetheless, Mr. Shirazi said that the World Bank, in working with the IMF on how to restructure Indonesia's remaining 220 banks, would face "precisely the challenge of what actions need to be taken in order to ensure that we don't undermine the confidence of depositors and yet still seriously deal with the nonperforming loan portfolios."

DOLLAR: Currency Shines as Haven From Asian Crisis

Continued from Page 1

might like to see the dollar weaken and so, rather than flee to the dollar, investors around the world fled from it, causing it to fall 5 percent in the ensuing three months.

One place investors fled to then was gold, as they had for centuries. But that's not true now. Gold prices today are at their lowest levels in 17 years after having declined 25 percent over the past year.

The dollar's special place in the world economy allows the United States to have slightly lower interest rates and pay less for imported goods than it would have otherwise, economists say. Most significantly, it allows the United States to run large trade deficits for long periods without suffering many of the unpleasant side effects that other countries would face.

In addition, the Federal Reserve has calculated that the fact that more than half of all dollars in circulation now are in use outside U.S. borders amounts to an interest-free loan from the rest of the world of between \$5 billion and \$10 billion a year.

The resurgence of the dollar has some drawbacks, however. Economists warn that having the dollar do double duty as the world's currency can exaggerate the normal ups and

downs of the U.S. economy. In the short run, it may involve some loss of American control over the economy, complicating the Fed's task of managing interest rates, the money supply and the pace of economic activity.

In the recent Asia crisis, for example, foreigners who have bought dollars and needed a place to invest them have taken temporary refuge in the U.S. bond market. This sudden surge in demand for U.S. Treasury notes and bonds has caused short-term interest rates to drop below the target that Fed policymakers have set for overnight interbank loans. If the situation continues, many analysts say, a reluctant Fed may be forced to lower its target to reflect market realities.

The dollar's strength has also thrust the United States into the role as the world's consumer of last resort when economies in Japan and Europe are mired in slow growth.

Morris Goldstein, a senior fellow at the Institute for International Economics, says that by making imports cheaper and exports more expensive, the recent run-up in the value of the dollar is almost certain to drive up the U.S. trade deficit — from \$180 billion last year to as high as \$300 billion in 1998. If history is any guide, Mr. Goldstein says, such a deficit will set the stage for a sharp reversal in a year

or two when Asian markets stabilize, economic growth revives in Europe and global investors decide it is safe to return to their own currencies.

That kind of volatility can translate into economic dislocation as jobs and profits are shifted from one sector of the economy to another as a result.

Auto analysts, for example, calculate that the change in the dollar-yen rate over just the past year already has translated into a \$5,000-per-car windfall for Japanese car companies exporting to the U.S. market that can be used to lower prices and increase advertising budgets.

Sharp swings in the dollar have been a feature of the currency markets ever since President Richard Nixon unhooked the dollar from the gold standard in the early 1970s.

In the late 1970s and early '80s, the Fed drove interest rates into double digits to try to bring inflation out of the economy. The rates were so high that banks and investors from around the world rushed to lend money in the United States.

It was then that people began to toy with the idea that maybe the yen, the mark or the Swiss franc should begin to supplant the dollar as the world's international currency.

Only the Germans have taken up the challenge — not alone, but with the rest of the European Union,

Japan Bank Panel To Meet Friday

Agence France-Press

TOKYO — In a quiet revolution, the Bank of Japan will hold the first meeting of its new policy board on Friday — an advance taste of the new autonomy conferred on it by Parliament last year.

The board will have sole authority to determine monetary policy by fixing interest rates, managing the money market and setting bank reserve requirements, among other measures.

With Japan's economy sluggish and its discount rate at 0.5 percent, however, analysts say the panel has little room to act on interest rates. The reforms conferring autonomy take effect April 1, but the bank decided to begin the panel's meetings early,

which plans to launch a common currency, the euro, next year.

Until then, however, the considerable uncertainties surrounding the euro effort — such as which countries will participate and whether they will be able to get their interest rates and economic policies sufficiently aligned to pull it off — has put a cloud over the major European currencies.

KOREA: Layoffs Resisted

Continued from Page 11

600,000 members include most of the workers at South Korean motor vehicle companies and other heavy industrial plants. "The National Assembly will not talk about a law on financial institutions."

Instead, said labor officials, they hoped the tripartite committee — consisting of leaders of the two union federations, two members of top management of the conglomerates known as *chaebol*, two top government officials and four representatives of political parties — would come up with a formula by which big business would accept responsibility for South Korea's economic crisis and promise to make amends.

"We strongly demand the government make the labor law strict," Mr. Ahn said. "Companies must not try to use the labor law to lay off workers."

At the top of demands by the Federation of Korean Trade Unions, he said, was that the companies agree to sell off assets and stocks, reorganize and trim their managerial offices and then, if they were still forced to go into bankruptcy, "consult with the trade unions" to see if layoffs were really necessary.

ASHLEY: Retailer Predicts Loss After Weak Christmas Sales

Continued from Page 11

Over Christmas, the company had a 4 percent drop in overall sales, excluding new space, and in North America sales dropped by 13 percent.

Mr. Iverson, who left in November, had tried to reverse the company's falling profit by expanding rapidly in the United States in the last two years. The plan exposed flaws in distribution and management systems and caused problems of excess stock that the company then had to discount to clear.

The company will begin a review of its U.S. operations under Michael Appel,

appointed Thursday as interim chief executive of the U.S. unit, and may consider either the closure of at least 24 of its 148 North American stores or their replacement by a franchise system, a person familiar with the situation said.

Mr. Cox said Mr. Appel would draft a recovery plan, which would be completed by the end of April.

"Every area of business is receiving attention, but North America is the one that really needs to be dealt with," Mr. Cox said.

Mr. Cox said that turning around the group's trading performance would be a long process, but that the company was

taking more radical steps than in the past. "We're taking fundamental strategic decisions now, and today's announcement is one of them, and we'll continue to do so," he said.

He said that the company's bankers remained supportive and that the group had a new £70 million credit line that runs until April 1999.

The retailer, known for its floral prints and taffeta ball gowns, has struggled to update its image without alienating its customers who still hew to that style.

Sir Bernard Ashley, husband of the late Laura, still holds about 35 percent of the shares.

(Reuters, Bloomberg)

The advertisement for Rabobank Nederland features a stylized logo of a rabbit and the text: "Rabobank Nederland", "Coöperatieve Centrale Rabobank Nederland N.V.", "NLG 500,000,000", "5.625% Bonds 1998 due 2010", "January 1998".

| Investor's Asia | | | | |
|---------------------------|-------|----------------|-------------|----------|
| Exchange | Index | Thursday Close | Prev. Close | % Change |
| Hong Kong Hang Seng | | 8,578.98 | 9,226.56 | -7.02 |
| Singapore Straits Times | | 1,233.36 | 1,243.27 | -0.80 |
| Sydney All Ordinaries | | 2,594.50 | 2,605.90 | -0.80 |
| Tokyo Nikkei 225 | | Closed | 15,121.98 | - |
| Kuala Lumpur Composite | | 525.47 | 536.68 | -2.09 |
| Bangkok SET | | 364.13 | 367.69 | -0.97 |
| Saoul Composite Index | | 506.96 | 475.13 | +6.49 |
| Taipei Stock Market Index | | 7,776.77 | 7,769.25 | +0.35 |
| Manila PSE | | 1,706.85 | 1,686.22 | +1.22 |
| Jaipur Composite Index | | 387.24 | 403.86 | -4.14 |
| Wellington NZSE-40 | | 2,214.63 | 2,236.40 | -0.98 |
| Bombay Sensitive Index | | 3,365.75 | 3,400.79 | -1.03 |

Very briefly:

- Boeing Co. said Hyundai Space & Aircraft Co. and Korean Air would be among 14 major supplier partners on its 717-200 production program. The two South Korean companies expect a total of 1,300 new jobs to accompany the program to build the 100-seat short-haul jets.
- Bangkok Metropolitan Bank PCL, Siam City Bank PCL and Bangkok Bank of Commerce PCL proposed a three-way merger to avoid being taken over by the government and to become "more attractive" to foreign investors, the Krungthep Thairakij Daily reported, quoting an unidentified executive of Siam City.
- Softbank Corp., the Japanese publisher and software wholesaler, will meet with tepid demand when it lists on the first section of the Tokyo Stock Exchange on Friday, analysts said, because of the uncertainty surrounding its three unlisted U.S. affiliates: Kingston Technology Co., Ziff-Davis Publishing Co. and Comdex.
- Air France will move its Asia-Pacific headquarters to Bangkok from Hong Kong on July 1 in a move that is expected to save \$750,000 a year. The airline is aiming to increase its capacity in the region by 40 percent in three years.

IIF
To the Holders of
International Income Fund
Long Term Units - USD Portfolio

EBC Fund Managers (Jersey) Limited as Manager of the above-mentioned Fund has declared the following dividend per Unit for the financial period ended 31st December, 1997, payable on the 30th January, 1998, in respect of Units in issue on 31st December, 1997.

Long Term Units - USD Portfolio
USD2.00 per Unit - payable against Coupon No. 37

Unit holders should send their Coupons to the Manager at EBC House, 1-3 Seale Street, St. Helier, Jersey, JE4 8XL, Channel Islands or to one of the following Paying Agents:

Bankers Trust Company, 280 Park Avenue, New York, N.Y. 10017, U.S.A.
Banque Générale du Luxembourg (Suisse) S.A., Renweg 57, 8023 Zurich, Switzerland
Banque Générale du Luxembourg S.A., 50 Avenue J.F. Kennedy, L-2951 Luxembourg.

Arrangements have been made whereby holders of all Long Term Units - USD Portfolio in issue at 30th January, 1998 may reinvest the dividend paid at that date in additional units at a purchase price equal to the Basic Net Asset Value per Unit at 30th January, 1998 (as an indication, the Basic Net Asset Value per Unit was USD32.41 on 5th January, 1998). This right will be terminated at the close of business on 27th February, 1998. Long Term Unit holders who desire to reinvest their dividend should advise the Manager accordingly when presenting their Coupons for payment.

EBC Fund Managers (Jersey) Limited
Manager
Dated: 16th January, 1998

IIF
To the Holders of
International Income Fund
Long Term Units - Deutschmark Portfolio

EBC Fund Managers (Jersey) Limited as Manager of the above mentioned Fund has declared the following dividend per Unit for the financial period ended 31st December, 1997, payable on the 30th January, 1998, in respect of Units in issue on 31st December, 1997.

Long Term Units - Deutschmark Portfolio
DM 6.00 per Unit - payable against Coupon No. 4

Unit holders should send their Coupons to the Manager at EBC House, 1-3 Seale Street, St. Helier, Jersey, JE4 8XL, Channel Islands or to one of the following Paying Agents:

Banque Générale du Luxembourg (Suisse) S.A., Renweg 57, 8023 Zurich, Switzerland
Banque Générale du Luxembourg S.A., 50 Avenue J.F. Kennedy, L-2951 Luxembourg.

Arrangements have been made whereby holders of all Long Term Units - DM Portfolio in issue at 30th January, 1998 may reinvest the dividend paid at that date in additional units at a purchase price equal to the Basic Net Asset Value per Unit at 30th January, 1998 (as an indication, the Basic Net Asset Value per Unit was DM 110.62 on 5th January, 1998). This right will be terminated at the close of business on 27th February, 1998. Long Term Unit holders who desire to reinvest their dividend should advise the Manager accordingly when presenting their Coupons for payment.

EBC Fund Managers (Jersey) Limited
Manager
Dated: 16th January, 1998

NASDAQ

Thursday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar volume, updated twice a year.
The Associated Press.

| High | Low | Open | Close | Volume | Change |
|--------|--------|--------|--------|-----------|--------|
| 120.00 | 119.00 | 119.50 | 119.00 | 1,200,000 | -0.50 |
| 110.00 | 109.00 | 109.50 | 109.00 | 800,000 | -0.50 |
| 100.00 | 99.00 | 99.50 | 99.00 | 600,000 | -0.50 |
| 90.00 | 89.00 | 89.50 | 89.00 | 400,000 | -0.50 |
| 80.00 | 79.00 | 79.50 | 79.00 | 300,000 | -0.50 |
| 70.00 | 69.00 | 69.50 | 69.00 | 200,000 | -0.50 |
| 60.00 | 59.00 | 59.50 | 59.00 | 150,000 | -0.50 |
| 50.00 | 49.00 | 49.50 | 49.00 | 100,000 | -0.50 |
| 40.00 | 39.00 | 39.50 | 39.00 | 80,000 | -0.50 |
| 30.00 | 29.00 | 29.50 | 29.00 | 60,000 | -0.50 |
| 20.00 | 19.00 | 19.50 | 19.00 | 40,000 | -0.50 |
| 10.00 | 9.00 | 9.50 | 9.00 | 20,000 | -0.50 |

| High | Low | Open | Close | Volume | Change |
|--------|--------|--------|--------|---------|--------|
| 110.00 | 109.00 | 109.50 | 109.00 | 800,000 | -0.50 |
| 100.00 | 99.00 | 99.50 | 99.00 | 600,000 | -0.50 |
| 90.00 | 89.00 | 89.50 | 89.00 | 400,000 | -0.50 |
| 80.00 | 79.00 | 79.50 | 79.00 | 300,000 | -0.50 |
| 70.00 | 69.00 | 69.50 | 69.00 | 200,000 | -0.50 |
| 60.00 | 59.00 | 59.50 | 59.00 | 150,000 | -0.50 |
| 50.00 | 49.00 | 49.50 | 49.00 | 100,000 | -0.50 |
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| 20.00 | 19.00 | 19.50 | 19.00 | 40,000 | -0.50 |
| 10.00 | 9.00 | 9.50 | 9.00 | 20,000 | -0.50 |

| High | Low | Open | Close | Volume | Change |
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| 100.00 | 99.00 | 99.50 | 99.00 | 600,000 | -0.50 |
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| 30.00 | 29.00 | 29.50 | 29.00 | 60,000 | -0.50 |
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| 10.00 | 9.00 | 9.50 | 9.00 | 20,000 | -0.50 |

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| 90.00 | 89.00 | 89.50 | 89.00 | 400,000 | -0.50 |
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| 10.00 | 9.00 | 9.50 | 9.00 | 20,000 | -0.50 |

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| High | Low | Open | Close | Volume | Change |
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| 10.00 | 9.00 | 9.50 | 9.00 | 20,000 | -0.50 |

NYSE

Thursday's 4 P.M. Close
(Continued)

| High | Low | Open | Close | Volume | Change |
|--------|--------|--------|--------|-----------|--------|
| 120.00 | 119.00 | 119.50 | 119.00 | 1,200,000 | -0.50 |
| 110.00 | 109.00 | 109.50 | 109.00 | 800,000 | -0.50 |
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| 40.00 | 39.00 | 39.50 | 39.00 | 80,000 | -0.50 |
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| 20.00 | 19.00 | 19.50 | 19.00 | 40,000 | -0.50 |
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| High | Low | Open | Close | Volume | Change |
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| 110.00 | 109.00 | 109.50 | 109.00 | 800,000 | -0.50 |
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| High | Low | Open | Close | Volume | Change |
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| 100.00 | 99.00 | 99.50 | 99.00 | 600,000 | -0.50 |
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JAN 16 1998

For information on how to list your fund, fax Katy Hourli at (33-1) 41 43 92 12 or E-mail: funds@iht.com
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AS - Australian Dollars; AU - Australian; SE - Swedish; BF - Belgian Francs; CS - Canadian Dollars; DE - Deutsche Marks; DM - Danish Kroner; DK - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finnish Marks; L - Dutch Guilders; Lf - Luxembourg Francs; Lfr - Italian Lira; Lm - Luxembourg Francs; P - Punt; Pr - Pragma; Rp - Indonesian Ringgits; Pz - Præstia; S - Singapore Dollars; SF - Swiss Francs; S - Swedish Kronor; THB - Thai Baht; V - Viet

*a - a-year; d - Other Prices; N - Not Available; N.C. - Not Commercialized; n - New; S - suspended; SS - stock split; * - Ex-Dividend; - Ex-Ret; @ - Other Price incl. 3% premium; change - Percentage change; - Amsterdam exchange rate; - London exchange rate; - London regulatory authority; P - Middle of bid and offered price; E - estimated price; y - price calculated 2 days prior to publication; n - bid price.*

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (bi-weekly) - bi-weekly; (f) - fortnightly; (m) - monthly; (q) - quarterly; (a) - annually.

WORLD ROUNDUP

Champions Fall

SKATING Evgeni Platov and Pasha Grishuk surrendered their lead in the ice dance competition at the European Championships on Thursday after Platov fell.

The Olympic, world and European champions, who are chasing a 21st successive victory, were penalized for his fall during the original dance section. Fellow Russians Anjelika Krylova and Oleg Ovsianikov took the lead.

The favorites dropped to second place ahead of a French couple, Marina Anisina and Gwendal Peizerat. One of these three couples will take the gold after the free dance final Friday night. (Reuters)



Pasha Grishuk grabbing Evgeni Platov after his fall.

Tar Heels Tumble

COLLEGE BASKETBALL The University of Carolina, ranked No. 1, lost for the first time this season, 89-83, in overtime at Maryland. The Terrapins (10-5, 3-2 Atlantic Coast Conference) out-rebounded the Tar Heels (17-1, 4-1 ACC), 39-32. It was the first defeat for Bill Guthridge as head coach of the Tar Heels.

No. 2 Duke, (15-1, 5-0 ACC) won, 88-52, at Wake Forest. It was the Wake Forest's worst home loss in 31 years. (AP)

Café Owners Protest to EU

FORMULA ONE Karel van Miert, the European Competition Commissioner, is to investigate a complaint over the International Automobile Federation's threat to cancel the Belgian Grand Prix.

The complaint was filed by an association for the "Defense of consumers of the GP Spa-Francorchamps," a group of about 60 FI enthusiasts which includes café and restaurant owners near the track.

Their lawyer is Jean-Louis Dupont who successfully represented Jean-Marc Bosman, a Belgian soccer player, against soccer authorities in the European Court. Dupont said the FIA had violated the Treaty of Rome. (Reuters)

Strang Stops Sri Lanka

CRICKET Paul Strang, a Zimbabwe spin bowler, captured four Sri Lankan wickets Thursday on the second day of the second test in Colombo. Sri Lanka was bowled out for 225 in its first innings. Zimbabwe reached 24 for one in its second innings to lead by 50 at the close. (Reuters)

Back Home in Indiana, Harlem's Team Is a Hit Globetrotters Wow 'Em in 20,000th Game

By Bill Plaschke
Los Angeles Times Service

REMINGTON, Indiana — The string of white lights snakes through fog-shrouded cornfields, a traffic jam five farms long, heading toward a bright marquee in the middle of nowhere advertising three basketball games.

Tri-County Middle-Senior High School
Jan. 5 Winomac
Jan. 9 Rossville
Jan. 12 Harlem Globetrotters.

Trucks and vans and solid blue Chevies, driven by careful men in baseball caps, filled with women wrapping their babies, edge into the lot. A wet kid with a flashlight takes their two bucks for parking.

Smiling folks in flannel take their tickets. They duck into the gym on this cold January night to unwittingly partake of one of the last perfect marriages in sports.

The Globetrotters, basketball's original barnstorming entertainers, are playing in the franchise's 20,000th game. In a town with no stoplights. Ninety minutes before tipoff, the 3,300-seat gym is full.

"Is this the biggest thing we've ever had around here?" asks Joe Broussard, who works in waste removal in nearby Monticello. "At least since 'Hoosiers.'" says his wife Sharon, referring to a movie about basketball madness in Indiana.

Sixty minutes before tipoff, a logger, Lewis Hites, shakes his head. "This is the biggest thing around here since that '74 tornado," he said. "And that killed three people."

Thirty minutes before tipoff, the public-address announcer exhorts everyone: "Take your seats and don't be moving around no more. It will look bad for television."

Twenty minutes before tipoff, they play it. A song from your childhood that you can't quite place but can never forget. A song that comes to mind whenever you see someone twirling a basketball or dribbling between their legs.

A song played in the phone system of the team's corporate headquarters in Phoenix; making it a pleasure to be put on hold. A song so powerful, the crowd gives it a standing ovation.

Old ladies sway. Toddlers swing rhythmically in parents' arms. Snowcones are dropped and popcorn is spilled as everyone claps and stomps and waits.

When the Globetrotters waltz onto this hardwood floor in the American heartland, Georgia Brown has never been so sweet.

"Michael Jordan and Tiger Woods may own Madison Avenue," said the team's owner, Mannie Jackson, eyes red. "But we still have Main Street."

Not everybody in the neighboring northwest Indiana towns of Remington (population 1,200) and Wolcott (population darn near the same) was at the game.

"You got tickets?" asks Emma Hinkle, 71, sitting in Clark and Kathie's Country Inn in Wolcott. "I seen them a long time ago, would love to see them again, but went down to the grocery store and couldn't get tickets."

Up on a TV above the bar, a local newscast appears with a Globetrotter and a basketball. A dozen men stop talking and look up from their drinks. "There, that's it, that twirling thing!" Hinkle says, almost shouting. "Now that's what I like!"

The Globetrotters didn't plan to play their historic game in this place. Indeed, among all the acrobatics that have occurred in the franchise's 71-year history, nothing has jumped around more than the schedule. The team originally thought the game was going to be played in December at its training camp at Disneyland, in California. Only when some games were canceled there did

they realize it would be here.

Some club officials immediately asked that it be moved to some place a little more appropriate, say, Madison Square Garden.

"From a marketing aspect, we would have loved to see what would have happened in a bigger arena," said the club's marketing director, Ray Davidson. But Jackson, being a former Globetrotter, understood that this was about more than simply money and exposure.

The tiny high school, which had cut a deal for this game nine months before, was like the place in Hinckley, Illinois, where Abe Saperstein's original Harlem Globetrotters began touring in 1927. "This was what brought us to the dance, they were our people," Jackson said. "This was where we belonged."

While his decision was not essential to filling the gym — all tickets at \$7 and \$12 were sold in two weeks last month — it did mean a slight change in the background: For the first time in this area's history, a local event was broadcast live on U.S. national television.

It was, amazingly, the first time in Globetrotter history that a game was televised live.

None of those facts was deemed pertinent, however, when Jackson gave his pregame speech. "I told my players to remember that this was about saying 'Thank you,'" he said. "Thank you to the people who built us."

They say that a lot during a four-month period from December to April, when two Globetrotter teams play 100 games each in United States and Canada, at least 20 percent of them in small towns.

By the time their two-hour show was over, they had pushed a child with cerebral palsy to center court and spun a basketball on her crooked finger to a standing ovation. They had kissed a biology teacher and danced with her at the foul line. They had cheered 12-year-old Adam Kurtz, who almost never makes foul shots for his Remington grade-school team, as he sank a foul shot.

"This is what America is supposed to be about," said Bob Kurtz, Adam's father, who works at a local radio station. "You see so many greedy athletes out there, and then you see these guys who will do anything to make you smile. Who would have thought they'd come here for this? Who would have thought?"

By the time the show was over, the Globetrotters had uncovered as many memories as smiles. They harassed an exasperated referee. They ran a dozen weaves with two dozen dunks around a New York Nationals team featuring small guys with bad haircuts. And, oh yes, they stuck a ball under the shirt of an opposing guard named Klotz.

THE PLAYERS are better athletes now. The Globetrotters have the world's two record-holding vertical leapers as well as a 7-foot, 6-inch (2.3-meter) center from Sudan and former college starters from Memphis, Villanova and Pittsburgh.

The music is no longer only old jazz but also rap. And for the first time, some of the Globetrotters have tattoos. But some things will never change. Thank goodness, they still brought out a bucket of water. And yes, they threw it at the crowd. And yes, it was only content.

Afterward, a middle-aged woman dropped the hands of her two children, walked up to Jackson and hugged him. Just hugged him. She didn't say why. He didn't ask.

Said a Globetrotters' forward, Matt Jackson: "The thing about playing for the Globetrotters is that you look in the eyes of the crowd, and every night you see Christmas."

The game improved the Harlem Globetrotters' record in their first 20,000 games to 19,668 wins and 332 losses. Outside in the icy rain, Main Street laughed and hugged as it walked to its trucks and vans and solid blue Chevies.



Denver's Danny Fortson driving for a dunk as L.A.'s Eddie Jones leaps in.

With 18th Straight Loss, Nuggets Near a Record

The Associated Press

The Denver Nuggets are building a strong case that they are the worst team in NBA history.

The Nuggets played the Los Angeles Lakers on Wednesday night and were

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up to their usual tricks, falling behind by an insurmountable margin early and then walking off the court badly beaten. The 132-114 loss was Denver's 33d in 35 games this season and its 18th in a row.

The countdown has begun toward the night — Jan. 27 — when the Nuggets could break the NBA record of 24 consecutive losses.

"It's not fun — it's the same old story, same old speech," said Bill Hanzlik, the Denver coach. "We lost a couple of our key veterans, and because we're so young, it makes it tough. I feel like we can turn this franchise around. It's not easy, but I'm generally just a positive guy."

The Nuggets will play Cleveland and Portland before traveling to Vancouver on Tuesday for one game that at least seems winnable.

After that, the opponents are Detroit, Phoenix and the Los Angeles Clippers before the New Jersey Nets come into McNichols Arena for what could be consecutive loss No. 25.

The record of 24 straight defeats is held by the Cleveland Cavaliers, who dropped the last 19 games of the 1981-82 season and the first five of the 1982-83 campaign.

Sashaquille O'Neal scored 34 points in the game Wednesday, becoming the first Laker in more than 11 years to surpass 30 points in four straight games.

Suns 89, Wizards 79 In Washington, Tim Duncan had 28 points and 16 rebounds and David Robinson added 20 points and 14 rebounds as San Antonio scored 11 of the final 13 points to overcome an otherwise lackluster effort.

Kings 106, Magic 86 In Sacramento, Mitch Richmond scored 23 points and Tariq Abdul-Wahad had 13 of his career-high 20 points in the fourth quarter as the Kings rallied to beat Orlando.

Abdul-Wahad, a first-round pick from San Jose State, brought the Kings back from an 84-7 deficit early in the fourth quarter. He ignited an 11-2 run by scoring nine points as Sacramento took an 89-86 lead with 3:52 remaining.

Pacers 100, Pistons 93 In Indianapolis, Reggie Miller scored 25 points and hit a key 3-pointer with 26 seconds left. Mark Jackson had 16 points and 11 assists. Indiana overcame a season-high 37 points by Grant Hill, who matched his career-high with 15 field goals.

Hawks 108, Mavericks 82 In Atlanta, Steve Smith scored 29 points and Dikembe Mutombo added 21 points and 19 rebounds as the Hawks won their fifth straight.

Bucks 101, Warriors 95 Glenn Robinson scored 12 of his 31 points in the final period as the host Bucks won their third straight. The Warriors lost their eighth consecutive game.

Raptors 109, Clippers 101 In Toronto, Damon Stoudamire tied his career high with 36 points and received a standing ovation with a minute to play after icing the Raptors' victory with a pair of 3-point shots in the final four minutes.

Nets' Douglas Accused by a Fan

The NBA is investigating a complaint by a spectator that he was struck in the face by a New Jersey Nets guard, Sherman Douglas, during a game against the Toronto Raptors. The Associated Press reported from Toronto.

Lawyers for Nay Bhatia, a local car dealer who has a season seat behind one of the baskets, told aides to the NBA's commissioner, David Stern, and representatives of the Raptors and the Nets that he was considering court action against Douglas.

In a game Monday night, Douglas was called for charging and lost control of the ball during the fourth quarter of New Jersey's 108-100 victory over Toronto.

Bhatia retrieved the ball after it bounced out of bounds, and Douglas approached the businessman near his seat. Bhatia said the player then struck him on the nose and forehead.

The incident involving Bhatia and Douglas was captured on videotape and was being reviewed by the NBA and the Nets.

NFL Counts Blessings in Wake of TV Bonanza

By Bill Pennington
New York Times Service

The National Football League's new eight-year, \$17.6 billion deal with three television networks had the pro football community counting its blessings and adding up its dollars.

Owners' franchises just got more valuable. Players can expect escalating salaries. Fans might even find ticket-price increases delayed by a year or two.

The effects of an estimated per-team payout of \$74 million annually should be felt on several levels.

"Players' salaries will explode," said Leigh Steinberg, an agent for many of the league's biggest stars. "Where we have Steve Young currently making \$7.5 million, in a couple of years, he's a \$10 million quarterback."

Steinberg said he had talked to Ryan Leaf, the Washington State quarterback who has declared himself eligible for this spring's NFL draft.

"I told him he was born at the right time," Steinberg said. "I said: 'You may have missed the '60s, but the '90s are going to be awfully good, too.'"

The league's salary cap, which was \$41.5 million last season, should jump by \$8 million to \$10 million next season. An increase to \$70 million by the 1999 season is likely and a \$100 million salary cap by 2001 is conceivable.

While the exact salary cap has not been agreed, the feeling is that the players, because of their collective-bargaining agreement with the owners, will be assured a large portion of the new income since every team almost always spends to its salary-cap limit.

"But there's always the danger of the disparity in salary levels amongst the players growing," said Ernie Accorsi, the New York Giants' new general manager. "If you have the players at certain positions earning a disproportionate amount of the cap and other players earning much less, that's a dividing factor on a team. On paper, it should help keep teams together, but there's always a concern."

Wellington Mara, co-owner of the Giants, said: "Certain teams with large cash reserves who have already spent a lot on free agents by prorating bonuses — cash over the cap — I worry that they could distance themselves even further. That's a threat to competitive balance."

Steinberg disagreed. "I think it will have an opposite effect," he said. "Since revenue is equal, a team like Cincinnati has so much available cash now. I argue that this contract will have a leveling effect. And as the cap expands, it will less often be the reason for breaking up happy marriages."

Free-agent players who want to stay with their teams can, he added. "That's what happens when you double the dollars coming in."

There have been other consequences of the new TV deal already. One NFL team, according to a league executive, withdrew its plans for a ticket-price increase last month when it learned of the stunning, potential windfall the new TV contract might yield.

And the league's owners, anticipating the public relations impact of the TV deal, have already discussed how hard it will now be to ask a municipality for help in financing a new stadium project.

As one owner said Wednesday: "If you ask a city to float a bond for you, people will say: 'Those guys are loaded. They've got to be kidding.'"

Terry Jones, owner of the Dallas Cowboys, who paid \$150 million for the team and the lease to Texas Stadium in 1989, said: "A lot of owners have debt. The money that doesn't go to the players can make the team sounder, reduce debt and create stability. We owe it to the networks to be financially sound."

Greg Aiello, the NFL's vice president of public relations, offered the league's attitude toward its fans. "Fans aren't interested," he said. "They want to know who's playing where and on what channel."

Islanders, Following Orders, Finally Win

The Associated Press

New York Islanders coach Rick Bowness was placed on the hot seat last weekend when his general manager, Mike Milbury, gave the ultimatum: Win, or else.

On Wednesday night, the Islanders had one of their best games of the season, a 7-1 rout of the Tampa Bay Lightning that snapped an 11-game winless streak (0-10-1) and may have saved the coach's job.

Zigmund Palffy and Robert Reichel scored two goals apiece, and Wade Flaherty stopped 21 shots for the visiting Islanders.

After the game, Milbury said he wished the coaching staff and "other organization members" a "peaceful and relaxing All-Star break." While Bowness's status is still shaky, Milbury seems to have softened his stance a bit.

Blackhawks 4, Hurricanes 1 Chicago won its fifth straight road game, getting a goal and two assists from Gary Suter.

Devils 4, Rangers 1 Bob Carpenter and Bobby Holik scored in a span of 1:31 in the first period, and New Jersey sent the visiting New York rookie goalie

Dan Cloutier to the bench.

Devils goalie Martin Brodeur won his league-high 27th game.

Red Wings 4, Canucks 0 Chris Osgood stopped 26 shots for his second straight shutout as Detroit took a five-game unbeaten streak into the All-Star break.

The Red Wings now have shut out three straight home opponents for the

NHL ROUNDUP

first time in Joe Louis Arena history. The last time it happened in Detroit was 1955 in Olympia Stadium.

Bruins 5, Penguins 2 In Boston, the Bruins extended their unbeaten streak to seven games.

Boston goalie Byron Dafoe has not lost in his last six starts and has allowed just six goals in that span.

Flames 3, Canadiens 3 Petr Svoboda scored one goal and assisted on Philadelphia's two other goals. The Canadiens remained unbeaten in their last eight road games but have not won in Philadelphia since Oct. 25, 1992.

Sabres 4, Maple Leafs 1 Dominik Hasek made 36 saves to lead Buffalo to

victory at Toronto.

Stars 2, Blues 1 In St. Louis, Grant Marshall scored 57 seconds into overtime as Dallas became the first NHL team to reach 30 victories. Ed Belfour made 23 saves for the Stars.

Coyotes 3, Panthers 2 Jeremy Roenick notched his 700th career point on a first-period goal, and Keith Tkachuk scored his 29th this season for Phoenix, unbeaten in its last five home games.

Oilers 5, Flames 2 Doug Weight scored his 16th goal of the season in the third period as host Edmonton won its fifth straight.

Kings 4, Sharks 2 Rob Blake scored two goals and Luc Robitaille had a goal and two assists in Los Angeles's victory at San Jose. The Sharks got both their goals from Jeff Friesen, who broke a franchise record with his 163d career point for San Jose.

Avalanche 2, Mighty Ducks 0 Rene Corbet snapped a scoreless tie with 5:58 left in the third period, and Patrick Roy earned his 39th career shutout.

Peter Forsberg added his 17th goal and league-leading 57th point with 1:06 to play for visiting Colorado.

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POSTCARD

The Burglary Show

By Patricia Leigh Brown
New York Times Service

LITCHFIELD, Conn.—The most exclusive antique venue on the East Coast this week may not be Christie's, Sotheby's or even the Seventh Regiment Armory on Park Avenue, where the Winter Antiques Show begins Friday. No, it is a nondescript state trooper's barracks here, home to the Connecticut Western District Major Crime Squad, where hundreds of stolen antiques recovered by police have just been put up for public viewing. Burglary victims only, by appointment, please.

The "important" and "not-so-important" items—netted from what police estimate was a stealing spree of 100 to 200 recent incidents in and around the starched perfection of the Litchfield Hills—might best be described as eclectic. Surrounded by yellow crime-scene tape next to the state police bomb-disposal truck, the haul includes brass beds, Colonial revival mirrors, heavily carved Victorian headboards, stacks of Life magazines, pith helmets, a wicker steamer trunk and a cut crystal punch bowl.

Local newspapers began reporting arrests two weeks ago and alerted citizens to a three-week "public viewing," a phrase perhaps more typically associated with funerals—as state police attempt to reunite the stolen antiques with their rightful owners.

Nancy Indocci, 36, and Andrew Weiss, 30, of Derby, Connecticut, were arrested on Jan. 2 by the Canton, Connecticut, police and charged with larceny in the first degree, burglary in the third de-

gree and conspiracy to commit larceny in the first degree; they are currently in jail awaiting trial and have not yet entered a plea.

The items police retrieved include some of the results of a six-figure burglary in Collinsville in which Goham silver flatware and Tiffany lamps were stolen.

"You can't put a dollar figure on mementos," Sergeant David Whitty of the Canton Police Department said philosophically as he showed off his wares. "These are generational-type items that may have been passed down. Losing them means a great deal. It violates the sanctity of home."

As the miniature porcelain busts of Garibaldi and Goethe await their deliverance, a twinge of anxiety has created a slight nick in the patina of perfection in this fabled antiques mecca, a place of tea and scones on village greens.

For Richard and Carly Jablonski, one local couple who visited the barracks last week, there was joy and frustration, since some stolen antiques were recovered while others remained painfully at large. The Jablonskis had hoped to find 17 pieces wrested from their wooded guest cottage. Some items, like an oil painting of a clipper ship, were there. But others were not, including a two-piece Federal corner cupboard painted by Richard Jablonski's mother in dark muted green with a rusty red base coat.

"We were devastated," Carly Jablonski said of the burglary, which took place the week before Thanksgiving. "These were family pieces. A stereo or television can be replaced, but antiques, especially if you grew up with them, are part of your life."

By Dana A. Jennings
New York Times Service

PINE PLAINS, New York—Priscilla Herdman and two of her best friends sit around her oak dining-room table and laugh, drink jasmine tea and eat homemade carrot bread. Outside, corn skeletons rattle in the wind. Black clouds knock against the hills.

Then Herdman and her friends (and fellow folk singers), Anne Hills and Cindy Mangsen, start making warm winter music that takes the edge off the chill night. Rehearsing for their annual tour, they braid their voices on songs like "Red and Green," "Witch Hazel" and "Proper Cup of Coffee," off their new album, "Voices of Winter," a collection of contemporary and traditional winter songs.

Herdman's and Hills's silver earrings jitter as the three women sing, sway and smile.

"That felt better than last night," says Herdman, her four cats curling around the table and the wood stove like smoke.

"Yeah, we'll be fine," says Mangsen, who is visiting from Vermont. "We'll be fine."

The three women, all in their 40s, usually play solo, performing in a world on the other side of hype, beyond youth's hunger for fame, where a fan base is built one kind word at a time, where a hit album sells 20,000 copies, not 2 million. In the 1990s culture of celebrity they are, maybe, footnotes. Do the Spice Girls rehearse in the dining room?

"You can't help but feel the pull of celebrity music," says Hills, who has traveled from Pennsylvania. "All the time you get asked, 'You're so good, how come you're not famous?'"

"Yeah, yeah," Herdman and Mangsen say. "That happens all the time."

But artistic integrity, heaving to a pure vision, often means playing to a small room. In popular music, compromise tends to add zeros to the paycheck. In her tenacious just-a-woman-with-a-guitar career,

Herdman has seen the mainstream embrace, and ultimately ditch, punk and grunge, new wave and new country, disco and techno, to name just a few styles. While folk music waxes and wanes, it never goes out of fashion—mainly because it is rarely in fashion.

"One of the differences for me, I think," Herdman says, "is that I don't see music as separate from my life. It's part of who I am. I like the simplicity and balance of it."

Which is why, for Pine Plains, New York, Herdman is a celebrity of just about the right size.

Pine Plains is a hamlet of about 1,000 people two hours north of New York City in Dutchess County. Not far from the Hudson River, it's a place of voluptuous hills dotted by horse farms, vineyards and Christmas-tree farms. Deer haunt the roads late at night. Herdman's house, an 1810 colonial, sits right there in the center of town, on Route 199. Its shelves are stuffed with books and compact discs. In her office hangs an old tenor banjo, a reminder that her mother, Ellen, as a young woman had loved to sing, too, and had passed music on to her youngest child.

In turn, Herdman has passed music on to her only child, a 12-year-old daughter, Suzanna Hermans, making it part of their home.

"I love to sing, and she's helped me develop my singing," Suzanna says of her mother, who has been married to Dick Hermans, a local politician, businessman and disk jockey, for 15 years. "I love the musical theater, and my mom helped me get to the point where I could audition."

Suzanna likes to listen to Mariah Carey, Toni Braxton and the Wallflowers, but she falls asleep these nights to "Voices of Winter"—even though her friends don't quite get it. "A lot of my friends don't know what folk music is," Suzanna says, "and it's kind of hard to explain."

Hasn't it always been hard to explain? Herdman, 49, belongs to that bulge of folk singers that came after Bob Dylan, Phil Ochs and



Folk singer Priscilla Herdman at one of her regular gigs.

Joni Mitchell. She has one of those clear mountain-stream voices that brings to mind Joan Baez and Judy Collins.

Herdman released her first album, "The Water Lily," in 1977. It was a critically acclaimed work best known for adaptations of poems by the turn-of-the-century Australian folk poet Henry Lawson. Other albums followed—"Forgotten Dreams," "Seasons of Change," "Darkness Into Light."

These were strong but quiet albums, albums adored by many critics, albums redolent of acoustic guitars, cellos, fiddles and mandolins—albums without a com-

mercial bone in their dear bodies.

During her career of more than 20 years, Herdman has earned a reputation for being both a consummate song finder and a strong interpreter of those songs. The Chicago Sun-Times once said that she was "a singer who finds the artistic heart of each tune." But that isn't a talent that's always appreciated.

"I'm an interpreter, not a songwriter," says Herdman, her voice as engaging as a whisper. "But there's a lot of pressure today to be a hotshot guitarist and to write—to be one of the guys."

When she's preparing an album,

Herdman listens to hundreds of songs to find the dozen or so that she will record. "When I hear a song, it has to hit me on an emotional level," she says. "I have to say to myself, 'I want to hear this song again.'"

"If I like a song, I type it out to have a feel for the words and the phrasing. Then I listen to it over and over. Some songs wear into me; some just wear themselves out. I don't try to sing a song the way the original singer did. Sometimes, I change melodies tiny bits. But I don't want to change a song too much. And I will ask the writer before making changes."

Hills says, "The artistic rewards of folk music are really great, even if the financial rewards aren't."

Even so, every weekend thousands of folk singers—from that longhaired kid down the block to performers many people think are dead—fan out across America, armed with just their voices and their acoustic guitars. Some play for tips, others for a piece of the gate, a lucky few for a flat fee that breaks into four figures without the decimal point.

At the least, these old-fashioned romantics hope they can earn meal and gas money and pay for the wear and tear on their cars, and on themselves.

"Sometimes, the business side of it does get me down," Herdman says. Mangsen adds, "But it's the only thing where I feel like myself."

Herdman says, "If someone asked me, 'What would you do if you could do anything you wanted?' it would be to sing."

Herdman plays some 80 gigs a year—she doesn't want to do more—and she already has four albums planned to complement the 10 she has recorded. Her husband admires how his wife juggles her career and the rest of her life.

"I have never seen Priscilla lose one step in being a mother and a lover and a partner," Hermans says.

ART

Metropolitan Museum Director Gets a Wider Role

By Carol Vogel
New York Times Service

NEW YORK—Philippe de Montebello, director of the Metropolitan Museum of Art for 20 years and known to millions of visitors as the mellifluous voice on the museum's audio guides, has been named to the new position of chief executive officer, putting him fully in charge of all museum operations.

At the same time, the museum announced that its president, William H. Luers, would retire at the age of 70 in the spring of 1999.

As president, Luers has been in charge of the administration of the museum, including its budget and its government and community relations. As director, de Montebello has run the curatorial side of the museum. Both jobs include fund-raising.

A new president will be named to replace Luers, but rather than report to the board, as has been the practice, the new president will report to de Montebello.

"It's the right thing for the Met right now," said Arthur Ochs Sulzberger, the museum's chairman, who is also chairman emeritus of The New York Times Co. "Philippe is one of the most distinguished museum professionals, and he brings over 20 years of experience to the job. Hopefully, the new president will be a younger person who can learn from him."

The announcement signals a major change in the power structure of the Met, the largest museum in the United States with more than 2 million objects and 5.5 million visitors a year. It is a structure other museums have emulated without success.

For 14 years, for example, the Philadelphia Museum of Art had the same system, with Anne



William Luers (left) and Philippe de Montebello.

d'Harnoncourt as director and Robert Montgomery Scott as its co-equal president and chief executive. But last year the museum abandoned the system, naming d'Harnoncourt the director and chief executive and bringing in Gail Harry from the Solomon R. Guggenheim Museum to be its chief operating officer.

At the Met, the arrangement has also been debated. Many art experts say Luers and de Montebello are believed to have sometimes had a strained partnership. But museum officials disputed the talk of

tensions. "I wouldn't say that," Sulzberger said. "They disagreed on some things as people do. Both men are pretty strong-willed."

Luers called his relation with de Montebello excellent. "He's been one of the most amusing, erudite colleagues. Sure we've had a few disagreements on a few basic issues, but we faced them amicably."

De Montebello said that he planned to renovate the museum's Great Hall physically and intellectually, making access for visitors easier and making information clearer.

"I like to think in a museum subtle changes can be as important as building new wings," de Montebello said. He said he would be intimately involved in the redesign of many parts of the museum, among them the 17th- and 18th-century Italian galleries and the Egyptian galleries.

De Montebello's entire career has been curatorial, while Luers's has not. Luers, who became president of the Met in 1986, was in the Foreign Service. He was the U.S. ambassador to Czechoslovakia from 1983 to 1986 and to Venezuela from 1987 to 1989.

De Montebello is the museum's eighth director. With the exception of four and a half years as director of the Museum of Fine Arts in Houston, he has spent his professional life at the Met, rising in the ranks of the curatorial staff.

Luers said he thought putting de Montebello at the helm was a good decision. "The issues going forward are very different than they were when I came 12 years ago."

But when de Montebello, 61, retires, board members say, they will reassess the two jobs, duties and reporting relationship. "We are leaving ourselves the greatest latitude for the future," Sulzberger said.

PEOPLE

CHILDREN, the newly-wed 62-year-old Woody Allen said, are "a reasonable option." In an interview in the French daily Le Figaro, the actor-director said he and his new wife, 27-year-old Soon-Yi, had discussed having children. "Why not?" he said. "I feel young and full of energy and my parents, you know, are still alive. My father is about to turn 97 and my mother is 91 and they're well. That's why I believe having children is a reasonable option for the two of us." She is the adopted daughter of his former companion, the actress Mia Farrow, and the conductor Andre Previn. They were married in December in Venice, in Paris promoting his new film, "Deconstructing Harry," said they married in Venice "as a romantic gesture, in a very romantic city which is my favorite in Europe."

A Bulgarian songwriter has accused Michael Jackson of plagiarism. Atanas Atanasov said Jackson's 1997 hit "Blood on the Dance Floor" took its melody and rhythm from "New Year," a song he wrote in 1981, and he is seeking compensation. "I know they will call me crazy, but I cannot forgo my author's rights," he was quoted as saying in Trud newspaper in Sofia. Pending a court decision, he has demanded that Jackson's song be banned from Bulgaria's airwaves. Garth Brooks settled a copyright lawsuit with the songwriter Guy Thomas just moments before opening statements were to begin in a trial on the matter. Thomas claimed that Brooks's hit "Standing Outside the Fire" was lifted from the 1993 Kenny Loggins tune "Conviction of the Heart" co-written by Thomas. The terms of the settlement were not disclosed.

Uma Thurman is expecting a child with Ethan Hawke, her co-star in "Gattaca," a movie about genetically made babies. Her publicist said the baby was due in July.

The Screen Actors Guild is paying tribute to Elizabeth Taylor for lifetime achievement. The salute, on March 8, honors Taylor for "fostering the finest ideals of the acting profession," the Guild president, Richard Mazur, said. "From the time Miss Taylor first entered our lives as the innocent child in 'National Velvet,' the world has loved her," he said. "As we watched her grow, both as a person and an actor, she presented us with gift after gift in the form of her performances."

Standing before a studio audience for the first time since declaring an end to the comedy that bears his name, Jerry Seinfeld bluntly



BLUE AND HAPPY—Cast and crew of "NYPD Blue" celebrating the 100th episode of the TV series.

said what was on everyone's mind. "Five million bucks a week?" he said. "Is he crazy? Even throwing away a fortune is a joke for Seinfeld, the money a reference to what NBC was willing to pay him to keep 'Seinfeld' on the air for another year. With the moments suddenly a precious few, a 'Seinfeld' taping is a hot ticket in Los Angeles. Seinfeld said his supporting cast—Jason Alexander, Julia Louis-Dreyfus and Michael Richards—all agreed with his decision. "We all felt that timing," he said. "We kind of wanted to have one last thrill. It caught everyone by surprise, didn't it?" "Would you do it for \$10 million?" an audience member asked. "Good question," Seinfeld said. "A question I was not asked, by the way." After the laughter died down, Seinfeld answered quietly: "No, I wouldn't. It's not about the money."

Christian Slater surrendered at the La Verne, California, jail to begin serving a 90-day sentence for attacking his girlfriend and a security officer. Slater turned himself in a day after attending the Los Angeles premiere of his latest film, "Hard Rain." The actor's lawyer made arrangements for him to serve his time in La Verne because the small suburban prison facility east of Los Angeles is considered more hospitable for a celebrity than Los Angeles County Jail. Slater pleaded no contest last month to two counts of battery and one count of being under the influence of cocaine at a party in August 1997.

Loretta Lynn's twin daughters are following in her footsteps, but is Mom pleased? "Not really," the country singer said in an interview to be aired on "48 Hours" on CBS. "I would rather have my daughters get an education and get a good job and stay at home with their family." She said her biggest regret in life was a concert schedule that kept her traveling while her children were growing up. Peggy and Patsy Lynn plan to release their debut CD, "The Lynns," on Feb. 10. They had their family connection at first, performing under the name The Honkabilles.

Sundance Film Festival Announces Its Lineup

PARK CITY, Utah—As much as a movie marketplace as a gathering of hot filmmakers, the Sundance film festival opened with Gwyneth Paltrow in the romantic story "Sliding Doors." During the 10-day festival, about 100 feature films will be shown, mostly American movies made with big studio funds. The 16 dramatic films in competition for 1998 were selected from a record 750 submissions. Among the films generating the most acquisition interest are "The Misadventures of Margaret," "Pi," "How to Make the Cruelest Month," "Billy's Hollywood Screen Kiss" and "Next Stop, Wonderland." "The Misadventures of Margaret," featuring the independent film stalwart Parker Posey in a sexual satire, has also sparked considerable interest among buyers.

One film that won't get a Sundance world debut is Nick Broomfield's documentary "Kurt and Courtney" about the singer Courtney Love and her late husband, Kurt Cobain. Facing legal pressure from Love and her record label, the festival pulled the picture from competition. Love reportedly said the movie contained unlicensed music performed by her band, Hole, and Cobain's Nirvana.

16 Other Schiele Paintings Said to Have Iffy Provenance

By Judith H. Dobrzynski
New York Times Service

NEW YORK—The Austrian collector at the center of a fierce dispute over the ownership of two Egon Schiele paintings plundered by the Nazis says that 16 other works by Schiele in museums and private collections in the United States share the same provenance as one of the two being questioned.

If Dr. Rudolf Leopold's claim holds true, four museums, including the Museum of Modern Art in New York, and several private collectors may face ownership questions similar to those that prompted District Attorney Robert Morgenthau to issue a subpoena last week freezing the two Schiele paintings in New York.

The paintings were supposed to be returned to Vienna when the Modern Art Museum's exhibition, "Egon Schiele: The Leopold Collection," ended Jan. 4, but Morgenthau's office wanted them kept in New York pending the outcome of its criminal investigation.

The district attorney's action set off an international art world furor, with leading museum and Austrian government officials deploring its impact on art loans.

Leopold's comments, first reported in the Austrian press, were confirmed Wednesday by his wife, Elizabeth Leopold, a board member of the Leopold Museum, in a telephone interview. Her husband was not at home, she said.

Leopold's statements refer to "Dead City," which is claimed by the

Reif family, the heirs of Fritz Gruenbaum, a Jewish comedian who died in Dachau in 1940. One family member, Rita Reif, is a former reporter for The New York Times who now writes a column for the paper.

All of the 16 works Leopold singled out were once owned by Gruenbaum and were sold in 1956 by the Kipstein & Kornfeld Gallery in Bern. Leopold told Austrian reporters that the Museum of Modern Art in Manhattan and the Santa Barbara Art Museum in California each own one of the works, while the Art Institute of Chicago and the Allen Memorial Art Museum at Oberlin College in Ohio each have two. The rest are in private hands, he added.

Leopold bought "Dead City" from Otto Kallir, then the owner of

Galerie St. Etienne in Manhattan, who bought it in the 1936 sale at Kipstein & Kornfeld.

The other painting under question from the Modern Art Museum's exhibition, "Portrait of Wally," is claimed by the heirs of Lea Bondi Jaray, a Viennese Jew who fled to London in 1938. She tried for years to reclaim it from the Austrian National Gallery, which gave it to Leopold in a trade involving several paintings in 1954.

Reached in Bern, Eberhard Kornfeld, the gallery owner, said, "My only comment is that it was 42 years ago, and I can't remember all the details. I have given all the information to the lawyer in Zurich for the Reifs and to Justice," a reference to the Swiss courts. He declined to say where he bought "Dead City."

Small German Museum Takes On Louvre Over 'War Booty'

Agence France-Presse

WUPPERTAL, Germany—It all started when a fax landed on the director's desk last year and prompted a small German art museum to challenge the Louvre to return its "war booty."

Fifteen paintings, including works by Renoir, Delacroix and Ingres, had been missing from the Von Der Heydt Museum—formerly known as the Elberfeld Museum—since the end of World War II. They were thought to have vanished in the chaos of the war.

Then in early 1997 a fax arrived at the Von Der Heydt Museum "by mistake," said Sabine Fehlemann, the museum director. It had been sent by the Louvre in Paris and detailed a painting of a nude woman by Renoir.

Fehlemann went to Paris to have a closer look. A label on the back of the work's frame was marked: "From the Coblenz warehouse—Sold

by Bignon for 150,000 francs to the Wuppertal museum—Second convoy Baden-Baden."

The museum director believes this was part of the museum's property that had been seized by French troops stationed in Coblenz from a storage warehouse where it had been placed to escape air raids. She soon found other lost paintings in the Louvre bearing labels indicating their provenance, or on the French museum's Internet site.

But now a new battle has arisen over whether the Wuppertal museum's paintings had in fact originally come from France, having been looted from there during the Nazi occupation.

Fehlemann says no, but the French museum board says yes.

Robert Fohr, a spokesman for the French museum, said, "Between 1944 and 1949, 61,000 paintings and artworks from France were recovered by the Allies. More than 45,000 were

returned to their owners and 13,000 without artist's value sold, while the museum board took over the remaining 2,000, which are exhibited in French museums."

These 2,000 orphaned works today are considered "spoils of war," a term that strikes a raw nerve in Germany, which has been negotiating for years to recover a huge amount of property amassed by the Soviet Army of occupation. Fohr said most of the 2,000 works were bought on the Parisian art market during the Nazi occupation of France for German museums or collectors. The transactions thus fall under an agreement adopted by Allied forces in 1943 that annuls all transactions conducted on occupied territory, even those with a semblance of legality, he said.

Fehlemann however insists that certain paintings were bought before the Nazi occupation in France, and others were not bought by Nazis.